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NATIONAL ENDOWMENT FOR THE ARTS

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HEARING

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON

EXAMINING THE ACTIVITIES OF THE NATIONAL ENDOWMENT FOR THE ARTS

JANUARY 26, 1995

Printed for the use of the Committee on Labor and Human Resources

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NATIONAL ENDOWMENT FOR THE ARTS

THURSDAY, JANUARY 26, 1995

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:32 a.m., in room SD–430, Dirksen Senate Office Building, Senator Nancy Kassebaum (chairman of the committee) presiding.

Present: Senators Kassebaum, Jeffords, Coats, DeWine, Ashcroft, Abraham, Gorton, Kennedy, Pell, Dodd, Simon, and Wellstone.

OPENING STATEMENT OF SENATOR KASSEBAUM

The CHAIRMAN. The hearing will please come to order.

Senator Kennedy is on his way, but there is general agreement that I will go ahead and give my opening statement. The committee has a new policy that we do not have opening statements from every member, but this morning, after Senator Kennedy and myself give our opening statements, I would like to call on Senator Jeffords, who chairs the subcommittee with responsibility for the further oversight hearings on the reauthorization of the National Endowments for the Arts and Humanities and the Institute of Museum Services, as well as the ranking member, Senator Pell.

Today marks the beginning of what I hope and feel confident will be a productive series of hearings on both the merits and the shortcomings of the National Endowment for the Arts. Controversial NEA grants have continued to make headlines and bring into question the endowment's ability to manage Federal funds in a responsible manner.

At the same time, projects assisted by the National Endowment for the Arts have flourished in our States and local communities and have brought art and culture to a wide variety of people.

The NEA's authority expired in fiscal year 1993, and since then, Congress has dealt with concerns about its practices during debate on annual appropriation bills. While these debates provided a small degree of oversight, I have been interested in a more comprehensive dialogue on these issues. In the next few months, this committee will thoroughly review the NEH's mission and procedures and report a bill to extend its authority. The National Endowment for the Humanities and the Institute of Museum Services will also be a major part of this discussion as Senator Jeffords' subcommittee considers the reauthorization of all three agencies.

I suppose what really is the heart of the matter as we review the National Endowment for the Arts and the National Endowment for the Humanities is whether there is a Federal role to play in sup-

port of our arts and humanities as a Nation. It is an issue that we should thoroughly debate and examine.

For myself, I have come to the conclusion that there is a role to be played. It was really brought home to me a year ago, when I was in Liberal, KS at Seward County Community College, where there was a quartet of graduate students, all from different parts of the country, who were doing a residency at the community college and were providing lessons and concerts to people in the community and in schools in the area.

I really think that what this speaks to is an important and very small role in many ways that the funding for the National Endowment for the Arts plays in speaking to a cultural and artistic heritage that is important to our Nation.

But while we are reviewing this, we will look at a full range of options in this process. In saying that I personally believe there is a role for the Federal Government, that does not mean that it is a right that is extended; it is something that is, I would suggest, inherently a useful purpose. But with that comes the responsibility, when Federal funds are used, for determining how those funds will be used.

It is clear that with many Members calling for the elimination of the National Endowment for the Arts, business as usual will no longer suffice. All options should be on the table, including the elimination of the National Endowment for the Arts, privatizing the National Endowment for the Arts, sending funds to the States in block grants, restructuring the endowment and its operations, streamlining procedures or maintaining the current structure with changes in the endowment's administrative and grant-making procedures, or maintaining the status quo.

Jane Alexander, as chairman of the National Endowment for the Arts for the past 2 years, has proven to be an effective spokesman for the endowment and a willing listener to its critics. I am pleased that she could be with us this morning to share her thoughts on these important issues as we start a very important series of hearings on the role of the National Endowment for the Arts.

Thank you.

Senator Kennedy.

Opening Statement of Senator Kennedy

Senator KENNEDY. Thank you very much, Madam Chairman, and welcome back, Jane Alexander, to the committee.

Under our new leadership now, we are just having the chairperson make an opening statement and then the ranking minority, so if it is agreeable with Senator Kassebaum, I would like to have the originator of the National Endowment, Senator Claiborne Pell, who 30 years ago with Senator Javits was really the founder of the National Endowment, be accorded the privilege of making the opening comment for our side.

[The prepared statement of Senator Kennedy follows:]

Prepared Statement of Senator Kennedy

I join in welcoming Chairman Alexander to the committee. The 16 months since she took office at the Arts Endowment have been

an extremely busy and productive time for the Endowment, and its important mission—to improve the quality of the arts in America, and to disseminate them as widely as possible.

As part of that mission, Chairman Alexander has traveled across the country. She has been a familiar and encouraging presence in every State. In Massachusetts, she addressed a national conference at M.I.T. on arts and technology, and she has met often with cultural leaders and organizations in our state.

Communities in all 50 States are justifiably proud of their local activities. Their museums, libraries, and symphonies are positive and enriching parts of the life of America and the daily lives of millions of Americans.

Let's be clear—the Arts Endowment supports projects and programs in thousands of communities and neighborhoods across America. I'll share some of them with you.

In Kansas, the Wichita Symphony received a grant of $30,000 to support, among other things, the Symphony's Young People's Concerts in over 20 local school districts.

In New Hampshire, a Rural Arts Expansion Project, an arts in education program and the New Hampshire Symphony are all supported through the National Endowment.

In Vermont, the Folklife Center of Middlebury received a grant to support their apprenticeship program.

In Tennessee, the Knoxville Symphony, the Tennessee Repertory Theater and the Nashville Symphony received grants.

In Michigan, a grant totalling nearly $100,000 supported the Arts in Education Program which sponsored residencies in Ann Arbor, Kalamazoo, Battle Creek, Detroit, Flint, Muskegon, East Lansing, Escanaba, Ypsilanti, and 14 other locations.

In Missouri, the Metro Theatre Company of St. Louis received a grant, which supported its season with performances and workshops in such locations as Ballwin, Webster Groves, Clayton, Farmington, Hazelwood, Columbia, Ashland, and East Praire, among others.

And in my own State of Massachusetts, Endowment support to the Springfield Symphony makes possible youth concerts in neighboring communities such as Ludlow, Agawam, Chicopee, and Holyoke.

Are these the sandboxes of the cultural elite? No, they are the neighborhoods of America. So, why then the sudden urge to slash or shut down this worthwhile Federal role in preserving and enhancing our cultural heritage? American Federal support for the NEA amounts to only 65 cents a taxpayer, and it represents tax dollars well spent.

A similar debate occurred in Congress in the 1980's and many people observed at the time that more money was being proposed for military bands than for spending for all other arts programs in the country. This year, the Federal appropriation for military bands is $175.1 million; the appropriation for the Arts Endowment is $167.4 million.

Could our armies engage in battle without military bands? Yes. But do we want to eliminate them—no. Military bands, with their powerful and patriotic music, salute the role of our fighting men

and women, pay tribute to their accomplishments and sacrifices, and honor the nation and armed forces which make us secure.

The same is true of America's symphonies, museums, and dance and theater companies. They are the chroniclers and repositories of our national and local history and identity. Could we shut off Federal aid? Yes. But for what purpose? To transfer the burden to state and local governments? That is hardly a valid purpose.

To privatize them? But such a step could well mean that the arts and humanities would be accessible only to affluent communities. Hundreds, even thousands, of other communities would suffer.

What is needed is not a mindless meat-ax approach, but a comprehensive and thoughtful reauthorization for these agencies. Reasonable voices were heard and prevailed in the 1980's when similarly harsh cuts were proposed. Let us hope for a similar result this year.

Jane Alexander deserves great credit for the excellent job she is doing as Chairman of the National Endowment for the Arts. She has reached out, and listened to Americans across the country, including the legions of citizens whose taxes support the Endowment, including people in the many out-of-the-way places where the arts touch the lives of countless Americans.

I look forward to her testimony today. We must work with her in this reauthorization process and in the years ahead to help the Endowment achieve its worthwhile and essential purpose.

The CHAIRMAN. Senator Pell.

OPENING STATEMENT OF SENATOR PELL

Senator PELL. I thank my friend and colleague very much indeed.

It was 30 years ago that Senator Javits and I embarked on a venture to expand the prospects for all Americans to have access to art and culture. Why? If we think about what we will be remembered for in history—are we remembered for our machines of destruction or of construction? For example, Athens is known, and not the other 20 city-states that surrounded her. Why is she well-known now, 2 millennia later? Because of her arts. I would like to see the same thing happen for us 2 millennia down the road, that we will be known not for our dropping the first atomic bomb, but for the arts that we developed.

As we know, we do not live by bread alone. And since the time we sought to launch the NEA, there have been great advances made. There have been approximately 100,000 grants to nonprofit organizations, nationally-oriented projects, and individual artists. Of that 100,000, only 40 had a sour note, and that means that 99.96 percent were successes. I do not think there is any other Government program that can do quite as well as that.

The programs commute all across the country, and the NEA has opened up avenues for Americans to experience their Nation's cultural riches.

In moving ahead, I would like to pay tribute to two of the early pioneers—to Livingston Biddle, who helped write it and was afterwards the chairman, and to Nancy Hanks, who did a marvelous job in its relationships with the Hill.

I would ask that the balance of my statement be inserted in the record as if read.

The CHAIRMAN. Thank you, Senator Pell.

[The prepared statements of Senators Pell and Mikulski follow:]

PREPARED STATEMENT OF SENATOR PELL

Madam Chairman, 30 years ago we embarked on a venture to expand prospects for all Americans to have access to our national culture. Since that time the National Endowment for the Arts has advanced cultural works all around the country, awarding over 100,000 grants to support non-profit organizations, nationally-oriented projects and individual artists. I believe that the Endowment's mission has been a great success and that our Nation has reaped tremendous profit from our investment in the arts. In communities all across the country the NEA's work has opened avenues for Americans to experience their Nation's cultural riches—communities where children and adults had previously been deprived of such a vital opportunity.

The existence of an Arts Endowment with a national mission focuses private citizens and corporations upon the extraordinary richness which the arts bring to our lives. To my mind, however, the Endowment's greatest continuing success lies ever in the future. A child exposed to study of even a single artistic discipline will go on to become tomorrow's enthusiastic audience member, arts patron or even professional. In my home State of Rhode Island I have heard marvelous stories about young people who have stayed in school because of the excitement generated by Endowment funded arts education. I also know that thousands of Providence high school students are able to experience great theater for the first time because of Endowment grants for this purpose. The National Endowment for the Arts is a testament to the continuing development of our unique culture, to our enduring faith in our own creativity and to our world leadership in artistic achievement. I am very pleased to welcome Jane Alexander to this process and I look forward to her testimony.

PREPARED STATEMENT OF SENATOR MIKULSKI

Madam Chairman, I am pleased to be here today to voice my support for the arts. I've always said that America is not a melting pot, but a mosaic, made up of many different ethnic and cultural tiles. The arts serve as a part of the glue required to hold our mosaic together.

For the past 30 years the NEA has fostered artistic and cultural endeavors for Americans of all walks of life to enjoy. I believe the work done at the NEA is so very important to ensuring that the arts remain a part of our American culture. This important organization makes investments in each of our communities, bringing people together to experience the powerful message of the arts. Cultural institutions foster economic activity: they create jobs and attract patrons to spend money in our inner cities. They promote good citizenship in our young people by expanding their minds and providing alternatives to drugs and violence. In short, Madam

Chairman, they do immeasurable good to all aspects of our diverse society. I'm proud to be a supporter of the arts.

In 1993 the Senate overwhelmingly approved the nomination of Jane Alexander to chair the NEA. Since assuming her post, Ms. Alexander has done a fantastic job in reforming the NEA to increase accountability and strengthen the grant-award process.

As Congress has been forced recently to tighten its belt, Jane Alexander has tightened hers. Under her leadership, the NEA has discontinued most agency subgranting programs and has undertaken a comprehensive review of the program structure and operation expenses.

As we are all aware, the Senate has expressed concerns regarding certain projects which have been funded by the NEA in the past. I'm very pleased to see that Ms. Alexander has taken steps to remedy these problems by establishing an advisory panel to review grant applications, and has required artists to get written permission from the NEA before changing a project mid-stream. I commend her for these efforts.

The NEA, as an organization, has touched the lives of millions of Americans. In it's 30 year history, the NEA has provided more than 100,000 grants to all 50 States and the territories. It has supported such enriching television programs as Live from the Lincoln Center, Live from the Met, Great Performances, and American Playhouse. Between 1991 and 1993 it provided financial assistance to more than 170 dance companies, and has supported 1,859 dance performances nationwide. And the list goes on.

In 1994, in my own State of Maryland, the NEA has given 57 grants which total $3.5 million to organizations such as the University of Maryland, the Maryland Historical Society, the Baltimore Symphony Orchestra, and the Howard County Arts Council. These grants have allowed the citizens of Maryland to experience and participate in powerful performances in music, theater, and the visual arts.

In closing, Madam Chairman, let me say that I think it would be a tremendous mistake for this Congress to cut the valuable cultural activities sponsored by the NEA. I look forward to hearing Ms. Alexander's testimony today.

The CHAIRMAN. I would now like Senator Jeffords, who will chair the subcommittee, to offer opening comments.

OPENING STATEMENT OF SENATOR JEFFORDS

Senator JEFFORDS. Thank you, Madam Chairman, for this opportunity, especially as I look toward the future.

Chairperson Alexander, it has been a pleasure to work with you. I have admired you as you have travelled through this Nation from one State to another to examine what is going on with respect to the arts and the endowments; that is so critical.

I also would like to let others know that this is not going to be the only hearing. We will have follow-up hearings starting next month—there will be at least two hearings—so that we can listen also to the critics who have expressed themselves, sometimes too eloquently, on the problems they perceive, and hopefully, we will be able to alleviate those concerns.

We are all well aware that this is a critical time for the three agencies which are involved here—the arts and the humanities, as well as museum services. I am pleased to have an opportunity to continue to work on these subjects over the days ahead. We as Members of the Senate have a responsibility to consider the programs that come before us and to evaluate each for its effectiveness and its worth to the people of this Nation.

In this time of streamlining Government and budget-cutting, we have to make difficult choices, and certainly we have to examine these programs as well as others with that in mind.

I would like to say that we have had considerable studies done, and I would especially point to the independent commission which was created to give us a better idea of areas where we should perhaps improve, as well as the work being done presently by the council and others.

There are many people who do not realize the extent and the full range of what the endowments do for the people of this country, and it is up to us to make sure that that becomes apparent and relevant to their lives.

My own State of Vermont has benefited so much from the endowments, and I am well aware of what it can do for a small State, a rural State, and one which is not particularly wealthy. There are many things I could point to—and my statement does, which I will put in the record—I wish I could tell all of the stories about what we have all seen as we have gone around this Nation that demonstrate the many great benefits of the endowments.

Let me end by echoing what Senator Pell said, the great master of the beginnings of this operation. What is the Federal purpose? That is the basic question that is pointed out by Mrs. Kassebaum. Why are we involved, and what is the national purpose?

I think history tells us the answer to that. Just this last week, I was excited, as I think many were, when the caves in Avignon, France were opened up, showing drawings of a society existing 20,000 years ago. How is that society remembered? By the art in those caves. It tells what people's lives were about at that time. And, as pointed out by Senator Pell, how do you measure the Egyptians, or the Chinese, with the Pyramids and the Great Wall? All of those things were in some sense artistic and allowed us to see into people's lives. In our continents, we have the Aztecs, and we measure their successes by the arts. Whether it be in poetry, or in education—Socrates and Socratic method—all of these things are evidence of what made those societies great, and they are relevant to the arts.

That is why it is important that we continue to make sure that not only the elite and the wealthy of this Nation have the opportunity to participate in the arts, but all of those who have the artistic ability but do not have the wherewithal to do it. That is what we are all about.

Ms. Alexander, it is a pleasure to have you here.

[The prepared statements of Senators Jeffords and Coats follow:]

PREPARED STATEMENT OF SENATOR JEFFORDS

Thank you Madam Chairman for providing me with this opportunity to join with you in welcoming the Honorable Jane Alexander, chair of the National Endowment for the Arts.

Chairman Alexander, I am pleased that you could be with us this morning. you have been a formidable spokesperson for the arts and I would like to commend you for your tireless work on behalf of this agency. You have traveled across this country and have heard from people in communities in nearly every State speak thoughtfully of the effect endowment programs have had on them. This is an awesome undertaking and a valuable one. I look forward to hearing about your experiences.

We begin today the reauthorization of the National Endowments for the Arts and Humanities and the Institute for Museum Services. We are all aware that this is a critical time for these agencies. I am pleased to have an opportunity to continue today's work at the subcommittee level as we begin the process of drafting a bill. Today's hearing and those in the month ahead will provide each of us with an opportunity to better understand the role of the endowment in the daily lives of individuals throughout this country.

We as Members of the Senate have a responsibility to consider the programs that come before us and evaluate them for their effectiveness and worth to the people of this Nation. In this time of streamlined government and budget cutting we will have to make difficult choices. the merits of each program must be weighed carefully.

We will be active in this. We are aware that the endowments have seen their share of controversy over the last few years and there may be room for improvement. Further, we recognize that there are positive changes which can be made to the endowments' statute, some which have been outlined in the report submitted by the independent commission in 1990. I will be open minded to the suggestions of my colleagues in the subcommittee and look forward to listening to constructive criticism—suggestions which will improve the operations of the endowment and allow it to better serve its mission.

There are many people who do not realize the extent or the full range of the work of the NEA, NEH, and IMS. Through the hearing process we will be able to take a closer look at the endowments and perhaps better understand the constituency that is served by these agencies.

Arts in education, after-school programs, literacy programs, and folk festivals—these are the results of grants made by the endowments. They have an uplifting effect on the lives of many of us and in some cases, a more crucial life saving one. Perhaps the role that NEA programs play in the lives of children, is the most profound. To watch as young people express themselves through drawing—address issues of violence which had so deeply troubled them, communicate honestly and thoughtfully, and connect with one another—through the arts—sends a clear message that the arts go beyond the aesthetic and are at the heart of learning.

My State of Vermont has benefited enormously from the NEA. An endowment grant enabled my home town of Rutland to support

a variety of projects, one which allowed us to hold our first ethnic festival to celebrate the cultural diversity of the region. Over 5,000 people attended. And the Vermont Council on the Arts, thanks to a grant from the arts endowment, supported artists in residence in 37 communities in Vermont.

I wish that I had the opportunity to list the hundreds of individuals that have benefited from the programs and performances for that is the real test of success.

Still, the benefits of the endowment are not limited to my State. The value is realized by every congressional district in every State and territory of this great Nation. While the endowments do provide support for artists, writers, performers, and museums, the benefits of these agencies are realized by each person, young and old, who learns discipline from dance, who learns to better communicate through creating, who expands their horizons through reading, who is able to dream of something better by way of the arts. For many, participation in the arts means an opportunity to turn away from the negative and engage in something positive.

Education, scholarship, creativity, discipline—these are the achievements of the endowments—achievements which have had an enormously positive effect on many Americans.

It is my hope that by making the programs that the NEA fosters and generates known. It will overcome much of the criticisms and the challenges which they have faced in the past. It will be our responsibility, during this process, to keep an open mind and consider the very important role the arts and humanities play in our Nation's future.

I look forward to your testimony Ms. Alexander and look forward to working with you over the next few months. I also look forward to working with my colleagues to ensure that we put together a good bill, one which addresses concerns yet allows the endowments to continue to do the extraordinary work which they have performed for nearly three decades now. Accomplishments which have made this Nation richer, greater, and more enlightened.

Just last week, in France, cave drawings were discovered. These lasting pieces of art are the final remaining clues to the society of the time. To me, it reinforced the fundamental role of the arts in the preservation of our national culture. As we look back in time, we will not necessarily remember who the pharaoh, the emperor or the president was—we will, though, have the creations of art to serve as a testament of the time.

Prepared Statement of Senator Coats

Once again, the topic of Federal funding for the arts has come before the Labor and Human Resources Committee. And, once again, we are faced with the same arguments for and against in this funding.

I have long been a supporter of the central mission of the National Endowment of the Arts. In the past, the NEA has given aid to a number of important institutions in Indiana and has promoted projects that I believe serve a public interest.

But still, the NEA continues to support exhibitions that deeply offend the values and sensibilities of many Americans. Even under the new stewardship of Ms. Alexander, who in her 1993 nomination

hearings stated a "commitment to funding only the best art America has to offer," the NEA has funded such artists as Ron Athey, who sends blood-soaked towels into an audience of spectators, and Holly Hughes, who invites members of the audience to inspect her unclothed body with a flashlight.

At a time when we are making difficult budget cuts, it becomes increasingly difficult to justify funding art which offends people's most deeply-held beliefs. Currently, we are concerned with whether taxpayers can be compelled to give money that is then used to purposely defile, again and again, the values by which they order their lives. We are accountable to the taxpayer, and I question whether we can continue to fund an organization or institution that, despite the promises, seems unable to provide accountability which the American people require. As Representative Henry Hyde has said, "In a democracy, public funds are to be spent for public purposes. A work which is palpably offensive to the sensibilities of a significant portion of the public ought not to be supported by public funds."

The CHAIRMAN. It is a pleasure to welcome you back, Ms. Alexander, to hear about the State of the arts. I would share with those who are both supporters and critics of the National Endowment for the Arts their appreciation for the job you have done in travelling around the country to really take the message of what the endowment is about and for you to see what it has been doing in each of the States.

Welcome back, Ms. Alexander.

STATEMENT OF JANE ALEXANDER, CHAIRMAN, NATIONAL ENDOWMENT FOR THE ARTS

Ms. ALEXANDER. Thank you very much, Madam Chairman, members of the committee.

I am pleased to be able to speak to you today about the National Endowment for the Arts.

Sixteen months ago, I left my acting career because I thought I might be able to contribute to the agency that had given so much to me as a young actor, and to many others like me, through its support of nonprofit theaters throughout this country—theaters that made possible the careers of our major playwrights, actors, directors, and film makers today, who began in these areas. The handful of theaters in 1965 has now grown to over 430 because of the National Endowment for the Arts.

Today the question before you is whether the agency should continue to exist, and to twist Marc Anthony's words, I come not to bury the endowment, but to praise it.

When I came into office, I was disturbed by the image that the public and some Members of Congress had of the agency, and I wanted to find out for myself just what the endowment was funding and how the people felt about it. So I journeyed to all 50 States this past year and to Puerto Rico and to over 130 towns and cities. I met with thousands of people at town meetings; I visited schools, arts institutions, festivals, media centers, and so on.

What I learned is that Americans care very much about the art that is going on in their communities and were grateful for the National Endowment for the Arts' involvement.

The most prevalent question that I was asked was how could they sustain or fund the organizations that they wished to have in their communities.

I also learned how wonderful and varied is the art we support in all places of the country. In the little town of Wamego, KS, I learned that we had helped fund the restoration of the only extant murals from the 1893 Chicago World's Fair, and they are now at Wamego's renovated Columbian Theater, and the people there are so proud to have them.

In Detroit's inner city, I sat in on a rehearsal where an endowment-supported artist taught drama to high school kids who performed a freely-adapted version of Shakespeare's "A Midsummer Night's Dream," partly in street language and partly in Shakespeare's iambic pentameter. Now, these kids had never before experienced Shakespeare, but they were so rewarded by this particular experience that next year, they have vowed they will do Shakespeare straight because they think he writes better.

In Indianapolis, I broke ground on the city's new Arts Garden, which is an extraordinary piece of architecture which will serve as a resource center for the arts and for anyone coming to visit the city. In Chattanooga, TN, I thrilled to Irish American fiddlers, Cajun Zydeco and Hawaiian dancers at the national folk festival.

All of these varied projects are made possible through the National Endowment for the Arts. My journey allowed me to see America in the making, and it made clear to me that art is not one thing, but many different and wonderful things, and that the arts endowment is not a subsidy for the elite. It is for the folks I met from Tacoma to Canton to Council Bluffs to Chattanooga and to Charleston—ordinary people trying to make a better life, people who understand that the arts improve their schools, renew the spirit of their communities, and that the endowment speaks to the soul of who we are as individuals and as a Nation.

There are many ways that we at the endowment serve this broad spectrum that is American culture. We support arts education, community development, arts in underserved areas. And yes, we support our big institutions, our national cultural treasures, that preserve and promote the best art and open their doors to young and old from far and near.

We support individual artists who capture, in paint or in words, the essence of our time. I want to disabuse any notion that the arts are for a limited portion of Americans. The arts are for everyone.

I do not believe that the taxpayers I met in towns and cities large and small begrudge the 64 cents each year that the endowment costs them. Sixty-four cents, I might point out, is the price of two postage stamps a year. Our small investment reaps enormous returns.

The endowment in fact more than pays for itself. We operate sort of like venture capital for the arts. Our fiscal year 1995 appropriation is $167.4 million. For every Federal dollar we award, we leverage $11 in other public and private moneys. That is a minimum of $11 that arts organizations must raise to complete their projects and sustain their institutions. That is an investment record I believe even Wall Street might envy.

The nonprofit arts industry generates an estimated $3.4 billion in Federal tax receipts yearly from all those associated with and around these organizations we help to support. Over one million Americans make their living as artists or in arts-related activities.

Of course, the quality of life has improved in cities where arts institutions exist. Downtown areas are revitalized. The economic impact of the arts is palpable because businesses and tourists are attracted, as is the development of hotels, restaurants, and transportation services. And that is happening in big cities like Pittsburgh, Indianapolis, and St. Louis, as well as in small towns like Abilene, TX and Portland, ME.

Our basic mission is to fund the best art in the country, for the most people in the country to enjoy. For 30 years, the endowment has done that—with very few exceptions. As has been pointed out, 40 of over 100,000 grants awarded have caused some people some problems, and that is .04 percent—again, a record some might envy.

But the point now is how do we improve that record. By and large, our advisory panel system works very well. In the past few years, as Congress has legislated, a layperson has been added to each of our 100 panels, and that has been a welcome addition.

We seek always to expand the search for panelists so that all geographical regions are addressed, in addition to ethnic and aesthetic diversity.

I have instituted a number of changes in the agency. First, in response to budget reductions, I have eliminated all of the endowment's subgrant programs except those that are in conjunction with State and regional arts organizations. I did not think it was appropriate to continue funding third-party organizations, which in some cases could not meet our panels' criteria and which had significant overhead costs.

Second, we have streamlined by clustering five of our discipline-based programs into two groups—music, presenting and opera musical theater; and visual arts and museums—in an effort to reduce our administrative overhead and respond to the National Performance Review.

Third, I have ensured that interim reports are filed before grantees draw down the full measure of their grant awards.

Fourth, I have tightened scope change procedures to ensure that all grantees' projects conform to the parameters of their applications.

Finally, I am working with the National Council on the Arts—our board of directors, if you will—to strengthen their participation in the grant review process.

I have undertaken these measures to give the taxpayers a better accounting of their contribution to the arts. Even as we tighten our belts and make our reforms, we are encountering some people who say that the Federal Government has no legitimate role in support of art.

All great nations support the arts because they are vital to a society's well-being. Future generations will judge this era by our national commitment to culture. In creating the endowment in 1965, the Congress wisely noted: "An advanced civilization must give full value and support to scholarly and cultural activity in order to

achieve a better understanding of the past, a better analysis of the present, and a better view of the future."

The reason for the National Endowment for the Arts is that Government believes that creativity, imagination and inquiry are essential to a strong and free society.

Some argue that the private sector would replace lost funds. In fact, corporate support for the arts has been in decline this past decade. Many high-quality arts organizations, despite the fact of greater levels of earned income, are running deficits. They work tirelessly at fundraising, exploring every possible option. Taking away the Federal seed money will not encourage private funding to grow, but just the opposite, as private funders seek to address even broader social needs.

Another myth is that the States are better suited to support the arts. Endowment grants are a matter of national prestige, for ours is a national competition based on excellence and merit. The prestige of getting a grant from the endowment is often critical in leveraging additional resources from the private sector. Our grants to the States encourage State legislatures to provide additional funding. By the way, the National Assembly of State Arts Agencies, which represents the State arts agencies, is on record as opposing any change in their current percentage share.

The endowment is uniquely positioned to support projects that benefit the country as a whole and to help Americans share their diverse cultures with one another. We are a leader in arts education, international exchange, accessibility for those who have disabilities, research, media arts and technology. We provide the model for programs like folk arts apprenticeships, and our grants to individual artists provide national recognition that often sets their careers in motion. Our literature program, for example, has awarded fellowships to writers who have gone on to win in the past 5 years, 22 of the 27 National Book Awards, National Book Critics Circle Awards, and Pulitzer Prizes in fiction and poetry. Sometimes they were awarded these 10, 5 years ago.

Only a strong endowment can help other Federal agencies, for example, use the arts for national purposes such as education reform, crime prevention or economic development. The States realize that we have created a delicate balance in the partnership among local, State and Federal arts agencies. When one brick in that building is pulled, very often the whole structure will fall.

What would be lost if the endowment ceased to exist? The world at large would question our country's commitment to culture. Many State legislators might find it easier to shut down State arts agencies, and cities may do the same with local arts agencies. Private funders might turn their attention and resources to other concerns. Many community arts organizations which do not have access to private funds would cease to exist. Arts education programs could wither on the vine.

Some individual artists would never make it. One has to wonder, for example, whether Oscar Hijuelos would have won the Pulitzer Prize for his novel, "The Mambo Kings Play Songs of Love" were it not for his fellowship from the endowment, or if Rita Dove would now be the United States Poet Laureate without the start she re-

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ceived from us and our support of the small presses in which she continues to be published.

But if the endowment were not reauthorized, the biggest losers would be the American people.

Madam Chairman and members of the committee, when I talk about my priorities for the endowment in the coming year and beyond, I always begin with the children. I think of the children whom I have met in New Mexico or in North Dakota, in West Virginia, whose imaginations have blossomed through the arts. These children are not the so-called "elite"; they are our best hope.

Arts education is a priority. The restoration of learning the arts in our schools is critical. Beyond the intrinsic value of arts education which defines who we are, where we have been and where we will be going, countless studies show that the arts make happier and better students. The latest study from the College Entrance Examination Board showed that those who studied the arts scored 31 to 50 points higher than the national average for the math and verbal sections. Arts education that begins in preschool, like Head Start, should not end upon graduation, but continue throughout life.

Another priority of ours is increasing public-private partnerships to maximize the value of our investment, particularly partnerships with great national organizations like the YMCA.

Another goal is promoting good design in industry, in housing, and in U.S. products to increase America's competitive edge. We want to help arts organizations harness the power of the new technologies and provide access for all Americans to the cultural content of the National Information Infrastructure.

And another basic goal of ours is to connect people with the culture in their communities. In that regard, one of the most important and exciting projects that we wish to pursue is what we call "The Millennium Project." As you know, the turn of the millennium in the year 2000 will be celebrated all over the world, and the United States should take the lead.

Now, how do we celebrate the year 2000? More football games on TV? Two thousand balloons for every household? A giant birthday cake in every town?

We could do it that way, but the way we acclaim the occasion is through a celebration of who we are, as a nation and as a union of States—in other words, through the arts and the humanities.

The Millennium Project will award the very best of the visual, literary and performing arts in each State and invite these artists to come to our Nation's Capital in 1999 and 2000 to perform and exhibit their work so that all may see the best of art in America. We want to document and boast of the heritage of all of our States through photography, literature and folk arts.

And if any century in the history of art belongs to any Nation, the 20th century is the American century for art. Generations to come will long take note not only of our achievements in science and technology, but they will remember 20th century America for dance, for literature, for drama, and so on.

From the back porch fiddler to the first violin of our world-class orchestras, from the university art professor exploring the latest technology to the kindergarten teacher explaining complementary

colors, from the grandmother passing along the secrets of weaving to the granddaughter discovering new patterns, we have much art to celebrate.

The National Endowment for the Arts is uniquely positioned to marshal all of the forces to celebrate American art at the dawn of the new millennium. We have the resources, the leadership, the partnership to make it happen, to let that American story ring out. And that is how I hope we will celebrate our birthday in the year 2000.

Senators, as both Senators Pell and Jeffords have said, when all else fails and disappears, art endures. Many of you, perhaps, as Senator Jeffords spoke of, read about the discovery recently in France, in the caves, of paintings made during the Ice Age. Primitive man felt the need to capture forever the stirring of his imagination, to tell his story, to show through art his or her reflection of the world.

We feel that same impulse today in our souls, and it is essential for our Nation not only to preserve our culture, but to nurture the need to create, to understand and to imagine. At the beginning of the new millennium, we do not hide our art in the darkness of the caves, but we bring it to light for all people so that they may dream and hear the story and see the reflection of our world.

The National Endowment for the Arts plays a major catalytic role in helping Americans experience the rare and enduring wonder of art. May that spirit continue.

Thank you, Madam Chairman.

[The prepared statement of Ms. Alexander follows:]

Prepared Statement of Jane Alexander

Thank you Madam Chairman, members of the committee. I am pleased to be able to speak to you today about the National Endowment for the Arts.

Sixteen months ago, I left my acting career because I thought I might be able to contribute to the agency that had given so much to me as a young actor—and to many others like me—through its support of non-profit theaters throughout the country. Theaters that made possible the careers of our major playwrights, actors, directors, and filmmakers today. The handful of theaters in 1965 has grown to 430 because of the National Endowment for the Arts.

Today the question before you is whether the agency should continue to exist. I come not to bury the Endowment but to praise it.

When I came into office, I was disturbed by the image the public and some Members of Congress had of the agency. I wanted to know just what the Endowment was funding and how people felt about it, so I journeyed to all 50 States and Puerto Rico and to over 130 towns and cities. I met with thousands of Americans at dozens of town meetings. I visited schools, arts institutions, festivals, media centers. What I learned is that people care very much about the art that is going on in their communities and were grateful for the NEA's involvement. The most prevalent question was how they could sustain or fund their arts organizations.

In the little town of Wamego, KS, I learned we had helped fund the restoration of the only extant murals from the 1893 Chicago World's Fair. They are now at Wamego's renovated Columbian Theatre, and the people there are so proud to have them.

In Detroit's inner city, I sat in on a class where an Endowment-supported artist taught drama to high school kids. They performed an adapted version of "A Midsummer Night's Dream," partly in street language, partly in iambic pentameter. These kids had never experienced Shakespeare before, but they were so rewarded by this experience that next year they'll do Shakespeare straight, because they think he writes better.

In Indianapolis I broke ground on the city's new Arts Garden an extraordinary piece of architecture which will serve as a resource center for the arts for anyone

coming to visit the city; in Chattanooga, TN, I thrilled to Irish American fiddlers, Cajun Zydeco and Hawaiian dancers at the National Folk Festival.

All these varied projects are made possible through the National Endowment for the Arts. My journey allowed me to see America in the making and it made clear to me that art is not one thing, but many different and wonderful things. The Arts Endowment isn't a subsidy for the elite. It's for the folks I met from Tacoma to Canton to Council Bluffs—ordinary people trying to make a better life—people who understand that the arts improve their schools, renew the spirit of their communities, and that the Endowment speaks to the soul of who we are as individuals and as a nation.

There are many ways we serve this broad spectrum that is American culture. We support arts education, community development, arts in underserved areas. And yes, we support our big institutions—our national cultural treasures—that preserve and promote the best art and open their doors to young and old. We support individual artists who capture in paint or in words the essence of our time. I want to disabuse any notion that the arts are for a limited portion of Americans. The arts are for everyone.

I do not believe that the taxpayers I met in towns and cities large and small begrudge the 64 cents each year that the Endowment costs them. Sixty-four cents: the price of two postage stamps a year! Our small investment reaps enormous returns.

The Endowment, in fact, more than pays for itself. We operate sort of like venture capital for the arts. Our fiscal year 1995 appropriation is $167.4 million. For every Federal dollar we award, we leverage an average of $11 in other public and private monies—in some communities it's higher—that arts organizations must raise to complete their projects and sustain their institutions. That's an investment record even Wall Street would envy.

The non-profit arts industry generates an estimated $3.4 billion in Federal tax receipts yearly—from all those associated with the organizations we help support.

Over one million Americans make their living as artists or in arts-related activities.

The quality of life is improved in cities where arts institutions exist. Downtown areas are revitalized. The economic impact of the arts is palpable because businesses and tourists are attracted, as is the development of hotels, restaurants and transportation services. It's happening in big cities like Pittsburgh, Indianapolis, and St. Louis and in smaller towns like Abilene, TX.

Our basic mission is to fund the best art in the country. For 30 years, the Endowment has done that—with very few exceptions. Forty of over 100,000 grants awarded have caused some people some problems—that's .04 percent. Better than Ivory Soap. Again, a record some might envy.

But how do we improve that record? By and large, our advisory panel system works very well. In the past few years, a lay person has been added to each of our 100 panels. We seek always to expand the search for panelists so that all geographical regions are addressed, in addition to ethnic and aesthetic diversity.

I have instituted a number of changes in the agency:

First, in response to budget reductions, I have eliminated all the Endowment's subgrant programs, except those that are made in conjunction with State and regional arts organizations. I did not think it was appropriate to continue funding third-party organizations which in some cases could not meet our panels' criteria and which had significant overhead costs.

Second, we have streamlined by clustering five of our discipline-based grant programs into two groups—Music, Presenting and Opera-Musical Theater and Visual Arts and Museums—in an effort to reduce our administrative overhead and respond to the National Performance Review.

Third, I have ensured that interim reports are filed before grantees draw down the full measure of their grant awards.

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Even as we tighten our belts and make our reforms, we are encountering some people who say that the Federal Government has no legitimate role in support of art.

All great nations support the arts, because they are vital to a society's well-being. Future generations will judge this era by our national commitment to culture. In creating the Endowment in 1965, the Congress wisely noted, "An advanced civilization must . . . give full value and support to scholarly and cultural activity in order

to achieve a better understanding of the past, a better analysis of the present, and a better view of the future." The reason for a National Endowment for the Arts is that government believes that creativity, imagination and inquiry are essential to a strong and free society.

Some argue that the private sector would replace lost funds. In fact, corporate support for the arts has been in decline this past decade. Many high quality arts organizations, despite the fact of greater levels of earned income, are running deficits. They work tirelessly at fundraising, exploring every possible option. Taking away the Federal "seed" money will not encourage private funding to grow, but just the opposite as private funders seek to address even broader social needs.

Another myth is that the states are better suited to support the arts. Endowment grants are a matter of national prestige, for ours is a national competition based on excellence and merit. The prestige of getting a grant from the Endowment is often critical in leveraging additional resources from the private sector. Our grants to the States encourage State legislatures to provide additional funding. By the way, the National Assembly of State Arts Agencies, which represents the State arts agencies, is on record as opposing any change in their current percentage share.

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Only a strong Endowment can help other Federal agencies use the arts for national purposes such as education reform, crime prevention, and economic development. The States realize that we have created a delicate balance in the partnership among local, State, regional and Federal arts agencies. When one brick in the building is pulled, very often the whole structure will fall.

What would be lost if the Endowment ceased to exist?

The world at-large would question our country's commitment to culture. Many State legislators would find it easy to shut down State arts agencies and cities may do the same with local arts agencies. Private funders might turn their attention and resources to other concerns. Many community arts organizations which don't have access to private funds would cease to exist. Arts education programs could wither on the vine.

Some individual artists would never make it. One has to wonder whether Oscar Hijuelos would have won the Pulitzer Prize for his novel The Mambo Kings Play Songs of Love were it not for his fellowship from the Endowment. Or if Rita Dove would now be U.S. Poet Laureate without the start she received from us and our support of the small presses in which she is published.

But if the Endowment were not reauthorized, the biggest losers would be the American people.

Madam Chairman and members of the committee, when I talk about my priorities for the Endowment in the coming year and beyond, I always begin with the children. I think of the children I have met in New Mexico, in North Dakota, in West Virginia whose imaginations have blossomed through the arts. These children are not the so-called elite. They are our best hope.

Arts education is a priority. The restoration of learning the arts in our schools is critical. Beyond the intrinsic value of arts education which defines who we are, where he have been, and where we'll go, countless studies that show that the arts make happier and better students. The latest study from the College Entrance Examination Board showed that those who studied the arts scored 31 to 50 points higher than the national average for the math and verbal sections. Arts education that begins in preschool like Head Start should not end upon graduation, but continue throughout life.

Another priority is increasing public-private partnerships to maximize the value of our investment, particularly partnerships with great national organizations like the YMCA.

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And another basic goal of ours is to connect people with the culture in their communities. In that regard, one of the most important and exciting projects we wish to pursue is what I call "The Millennium Project." As you know, the turn of the mil-

lennium in the year 2000 will be celebrated all over the world, and the United States should take the lead.

How do we celebrate the year 2000? More football games on TV? Two-thousand balloons for every household? A giant birthday cake in every town?

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And if any century in the history of art belongs to any nation, the 20th century is the American century for art. Generations to come will long take note not only of our achievements in science and technology, but they will remember 20th century America for:

Dance, from Isadora Duncan to Martha Graham to Twyla Tharp.

Literature, from Wallace Stevens to William Faulkner to Toni Morrison.

Design, from Stanford White to Frank Lloyd Wright to I.M. Pei.

Filmmakers, directors and actors from Buster Keaton to John Huston to Spike Lee, from Lillian Gish to Kate Hepburn to Cicely Tyson.

Jazz, from Jelly Roll Morton to Louis Armstrong to Winston Marsalis. Our traditions in gospel music, bluegrass, in the blues.

Playwrights, from Eugene O'Neill to Tennessee Williams to Wendy Wasserstein.

Painters, from Winslow Homer to Georgia O'Keeffe to Jackson Pollack.

From the back porch fiddler to the first violin of our world-class orchestras, from the university art professor exploring the latest technology to the kindergarten teacher explaining complementary colors, from the grandmother passing along the secrets of weaving to the granddaughter discovering new patterns—we have much art to celebrate.

The National Endowment for the Arts is uniquely positioned to marshal all of the forces to celebrate American art at the dawn of the millennium. We have the resources, the leadership, the partnership to make it happen, to let the American story ring out. That's how we'll celebrate our birthday in the year 2000.

When all else fails and disappears, art endures. Perhaps you read about the discovery recently in a cave in France of the paintings created thousands of years ago in the Ice Age. Primitive man felt the need to capture forever the stirring of his imagination, to tell his story, to show through art his soul's reflection of the world. We feel that same impulse in our souls. It is essential for our Nation not only preserve our culture, but to nurture that impulse to create, to understand, to imagine. At the beginning of the new millennium, we do not hide our art in the darkness of the caves, but bring it to all people so that all may dream and hear the story and see the reflection of our world. The National Endowment for the Arts plays a small but catalytic role in helping all Americans experience the rare and enduring wonder of art. I ask that you continue to support what is good for the spirit of our nation. Thank you.

The CHAIRMAN. Thank you very much.

I regret to say that we will have two votes shortly, back to back. I would like to yield my time first to Senator DeWine, who is not certain that he can get back after the votes.

Senator DeWine.

Senator DEWINE. Thank you, Madam Chairman.

Ms. Alexander, thank you for your testimony this morning. You and I had a chance to meet last week and talk, and I appreciated that very much. And as I believe I expressed to you at that time, I have had the opportunity along with my children and my wife to see some of the good work that the National Endowment for the Arts has done. I was several years ago in a tent in West Liberty, OH, as the rain was coming down outside, and watched professional actors bring to life a scene from Ohio history of about 120 or 130 years before, having to do with the underground railroad.

Mad River Theater Works, just as an example, has brought local Ohio history and culture to people throughout the State of Ohio, in rural as well as urban areas. So I have seen a lot of the good work that has been done.

As I also expressed to you, though, I do have some concerns which I would like to explore a little bit further with you this morning. Let me start by perhaps restating the obvious, and it is obvious, but I think sometimes we have to put things in their perspective. I would like to put in perspective the continuation of the funding and at what level for the National Endowment for the Arts in this historical context, that this is an unusual year in the United States Congress, that here are finite dollars, that we are eventually, we hope, trying to balance the budget, and that dollars that are spent for the National Endowment are now going to be spent for something else. Each one of us has our own example that we use time and time again about if money is spent for this program, we cannot spend it for that program.

My example, based on my background and some of the things that I have done throughout my life, is drug treatment. I think everyone knows that there are people today who go in for drug treatment who cannot get drug treatment. I am sure each member of the panel has his or her own example of displaced money.

So I would like to put this debate in that context, as I think each Member of Congress and each American has to approach any debate about spending any money from that particular point of view, that we do have a finite amount of money.

I will give you a chance to comment on that in a moment, but let me ask you about some figures in regard to the total spending of the National Endowment for the Arts—and these are figures that your office supplied to my office.

We understand that the actual money that goes to States on State grants—actual money after overhead—is 18.6 percent. Your figures show administration, planning and research at 15.4 percent of your total budget. I would like you to comment about that amount of overhead, which on its face, at least, seems to me to be quite high.

Another figure I would like you to comment on is the underserved communities grant figure of 5 percent. One of the things that I expressed to you in the office was my concern that the taxpayers' money that is being used as finite money not be used to in any way subsidize an opera ticket, directly or indirectly, for someone who can clearly afford to go to the opera anyway. My concern and my goal would be that the money is spent to do things such as the Mad River Theater Works, that literally reach out into the community.

And the final thing that I would like you to comment on has to do with the equity among the States. I do not think anyone thinks we should balance this out totally equally among the States based on population, but I was struck by the fact that the figures your office supplied me would indicate that, purely based on population, Ohio should have received about $6 million, and we actually received about half of that, putting us behind States like Maryland, Massachusetts, Missouri, New Mexico. And again, I do not think anyone demands total parity, but if the goal—as I think it should be—is to reach out to different communities and to make arts available to people who would not have this opportunity but for the National Endowment for the Arts, some parity among the States would seem to be at least a secondary goal.

If you could comment on some of my comments, I would appreciate it. When you only have 5 minutes, you have to move pretty quickly.

Ms. ALEXANDER. Thank you, Senator.

First of all, as I tried to point out in my testimony, I do not think that the $167.4 million in fact is a drain. We have got to think of this in terms of jobs as well, and what we return through these nonprofit arts organizations that we seed in taxes to the Federal Government, we think more than pays for this.

With regard to drug treatment, you should know also that the endowment is involved through at-risk programs that we help support at a community level in dealing with drug problems for poor people. I even saw one very successful program in Wichita that dealt with this. And this is happening all across the country, so we feel that we are dealing with that through prevention as well.

With regard to the big institutions, you also might be surprised to know that they do significant outreach and arts education, so that even though you may not be pleased that taxpayer money is going to fund these institutions, which you may feel that the private sector can take care of totally in and of themselves, they are doing significant work in education, in making sure that all kinds of people can come into their facilities, and that is something that we also encourage at the endowment through our guidelines as well.

The administration cost of 14.2 percent, we do not feel is bad at all. It is low compared to State arts agencies' administration costs, for example, and other charities. So we feel that we compete very well with regard to administrative costs.

And to your question about——

Senator DEWINE. There are two things remaining. You have done a very good job trying to cover it all; I moved very quickly.

Underserved community grants. I am very concerned about that, and I will again restate that we are in fact using this money as much as humanly possibly to reach out to people who would not have the opportunity to benefit from the arts, and that is really my concern, and I just keep coming back to that. The idea of in any way taking taxpayers' dollars land using them to subsidize, directly or indirectly, tickets to an expensive event anyway, and making it a little less expensive, that only the elite can go to, offends me, quite frankly. I think that that money is much better spent reaching out into the community to people who could not use that. And maybe the underserved communities grant is not reflective of the total attempt to do that, but at one-half of one percent, it strikes me as quite small.

Ms. ALEXANDER. I am confused about your figure of 5 percent, Senator.

Senator DEWINE. These are programs, to my understanding, that are specifically earmarked for underserved community grants. Now, I do not doubt that there are other——

Ms. ALEXANDER. That is 7.5 percent.

Senator DEWINE. I am sorry?

Ms. ALEXANDER. That is 7.5 percent.

Senator DEWINE. Five percent of your total budget is what I am talking about.

Ms. ALEXANDER. Oh, I am sorry. I misunderstood.

Senator DEWINE. Your total budget—and I am not trying to play games with you here, but the point is I would think that that should clearly be increased, and that would be something that I would like to explore with you further.

Ms. ALEXANDER. May I suggest, Senator, that we do reach the underserved in many different ways in our program. Yes, what is legislated is 7.5 percent to underserved in the States; through our programs, we distribute that. Not all States apply for it, and that money that is not applied for goes back into the pot.

How do we distribute it? We distribute it through our expansion arts program, through our folk and traditional arts program, through our local programs, and that is what those programs in and of themselves are there to do as well. Expansion arts is specifically to reach rural communities, ethnic communities, the underserved of the arts, and folk and traditional arts reaches into the very smallest pockets of the United States of America, as do our local programs.

We feel that the 7.5 percent, or the 5 percent of whatever you said about our budget, is not indicative of what we do at-large at the endowment. In fact, a great deal of our money goes into small arts organizations, and as I pointed out with regard to the large arts organizations, they do significant educational outreach.

Senator DEWINE. My time is up. I would just encourage you as this debate kicks off today—and will continue on for several months, I am sure—my advice to you, at least as far as this Member of Congress is concerned, is to continue to make your case that that is what you are doing. To me, that becomes compelling that you do that.

Thank you.

Ms. ALEXANDER. Thank you. I appreciate it.

The CHAIRMAN. Thank you, Senator DeWine.

Senator Kennedy.

Senator KENNEDY. Thank you very much.

Let me just join again in welcoming you, Ms. Alexander. I would give assurance to my colleague that I think you will find the members of this committee will be in the advance of doing things in terms of dealing with the issue of substance abuse. We were instrumental in getting those provisions included in the crime bill last year. Presently, only about 15-18 percent of people in State and Federal prisons are getting attention. There is a 75 percent recidivism rate among those who do not get it, and the 75 percent who do receive it do not go back out and commit crimes. So we have been tireless in support of it, and we look forward to working with you on that very important issue.

We welcome you, Ms. Alexander. During the course of these hearings—and we are all under the gun of Senator Kassebaum's rightful time limit—I know that you will be spelling out in detail where your programs are moving in small communities. I will put my statement in the record, which mentions a variety of those.

I think it is important to note as we look over what you spend on overhead—you are about 15 percent, and we usually look at around 5 or 6 percent—that in the early 1960's, Social Security was 2.5 percent. If you are going to get out into those small commu-

nities and those villages, and find out what is happening in small towns across this country, you are going to have to send people out there, you are going to have to explore it, you are going to have to evaluate it, and you are going to have to talk to good people.

I think, quite frankly, that what you have outlined here is certainly a reasonable amount to be able to do that in a very effective way.

I think all of us are mindful that whatever has been out there in terms of criticism of the endowment was really prior to your watch. You have been tireless in coming up and visiting with Members of the Congress on both sides of the aisle, and the Senate, to talk about the program and how the evaluation can be more effective. We want to thank you for that, and during all of this debate and discussion, I will say the members of this committee are not so interested in looking back and finding areas of criticism as we are trying to look forward and see what has happened on your watch, which is impressive. So we thank you.

Briefly, let me get into the area of education, particularly with regard to children. I can remember talking to John Williams, one of the great heroes of Boston, with the Boston Symphony one evening at dinner. He told me that one of the great ways that the Greeks were mathematicians was in learning mathematics through music. And you and I went through the Trotter School in Boston, where you see some of the most accomplished musicians in America, with the Boston Symphony, working in an underserved community with 40 or 50 disadvantaged children. You could hear a pin drop as they used their cellos to work with the children, to talk to them, and to stimulate those children's interest, not just in terms of music but also in terms of learning arithmetic, learning physics. We have seen the value of self-attainment, self-worth, and intellectual disabilities documented time in and time out.

And on the resources—and I was surprised to hear that the endowment actually supports subsidizing tickets. I do not believe they do. They subsidize product, but not tickets; is that correct?

Ms. ALEXANDER. That is correct.

Senator KENNEDY. And on the institutions which do receive support, we ought to ask whether they are really getting out into the communities, are they really getting out into the underserved areas.

Just for the record, I would like to inquire whether those grants that are going to some of these major institutions, symphonies and so on, are really getting out into underserved communities. I think that is a fair question, and I know you will answer it.

I know I am asking about quite a lot here, but I would like to get your reaction to those points.

Finally, on the issue of matching, I understand that you are able to match the private sector about 11 to one, in some instances even greater. For every dollar that you put out there, it is matched 11 to one. In my State, when you get the National Endowment for the Arts' sign of approval, private funds come into the support—corporations go in. And that has not been evidenced in terms of the private contributions. What we know is that the amount that is actually contributed from private sources has been going down significantly. I do not know whether those who say we ought to leave

this all up to the private sector would suggest that we do a lot more in terms of the tax code that in turn may open up other kinds of expenditures. But we find that that matching that you create is about 11 to one, which is enormously impressive. Maybe you could make a brief comment on that.

Finally, I would remind my friends here that the amount that is actually appropriated for the endowment, for all of its activities, is less than we appropriate in the Department of Defense for military bands. It is the cost of one-half of a C-17. It is generally considered now that we are going to need 80 C-17s. I will probably end up supporting 20, maybe even 40, in terms of force projection, which I think we need. But to put it in those terms, it is half of one C-17; it is less than we appropriate for all the military bands. I think we need the military bands; I think they are important. But when we talk about allocating scarce resources for something which is this important, as has been outlined by Senator Kassebaum, Senator Pell and Senator Jeffords, I think it is appropriate that we put this into some proportion.

Take whatever time Senator Kassebaum will give you to respond—perhaps you could comment first on the private sector issue.

The CHAIRMAN. I think my committee has learned to use 5 minutes to ask the question.

Senator KENNEDY. I tried to get my opening statement in there, too, Senator Kassebaum.

The CHAIRMAN. And I respect that. [Laughter.]

Please go ahead, Ms. Alexander.

Ms. ALEXANDER. Thank you. First of all, I agree with you, Senator; we do need the brass bands. That is one of the few areas that the endowment does not support. But we would like to see the endowment at least have some kind of parity with those excellent brass bands in the Army.

With regard to the arts institutions and what we do in the community, as you pointed out, even the Boston Ballet, which is one of the finest ballet companies in our country, does significant outreach into the community. This is a picture of one of those children that it serves, and this young woman, if she makes it into the little corps de ballet, has the opportunity to then grow up and become a major ballerina. And that should be noted, because this is going on not only in the Boston Ballet, but Northwest Ballet in Seattle, and all over the country, in opera companies as well.

With regard to the minimum of $11 that we are able to leverage or attract in other public and private moneys for every dollar that we award, this is kind of a mean average. In the case of a State like Wyoming, it is $26 to every one dollar that we award. This is important because what we do is the jumpstart for all of this other money. We come in with a badge of excellence, and they can rally around it, these private people, and say, "Oh, yes, this is a pretty good bet; let us put our money on that. If the Federal Government says it is good, we will go for it."

So I think we provide an invaluable service for the American people.

Senator KENNEDY. Very good. Thank you.

The CHAIRMAN. I regret that we now have two back-to-back votes on. I think it would be best to recess the hearing for a few minutes and come back as soon as we can.

Thank you.

Ms. ALEXANDER. Thank you very much.

[Recess.]

The CHAIRMAN. The hearing will resume.

I apologize for the interruption, but I think we can complete the hearing without further votes.

I would like to yield on my side to Senator Coats, who is in an Armed Services hearing, and then next, certainly with the understanding of Senator Kennedy, to Senator Wellstone, who is also in another hearing.

Senator Coats?

Senator COATS. I thank the chair for her courtesy in yielding.

Ms. Alexander, thank you for appearing before the committee. I apologize for not being here to listen to your statement, and I want you to know I read your statement word-for-word yesterday evening.

I have just a couple of questions I would like to ask. First, relative to funding in the context of the overall budget and where we are trying to go to secure some measure of progress toward reducing the deficit. Every agency, of course, comes up and defends its own programs and makes the case for not only level funding, but some increase in funding, and everyone is persuasive in his or her own way.

What would distinguish NEA from any other agency if the Congress ever gets serious about reducing the deficit and has to look at ways in which we can maximize our efforts with a minimum amount of funding? Should NEA be separated from that analysis? Should it be thrown in the same category and examined with everybody else? It might not have anything to do with the merits of the program, but simply the reality of budget deficits.

Could you comment on that?

Ms. ALEXANDER. Yes, Senator, thank you.

I feel that we certainly should be considered along with everyone else. I like to point out that our budget this year for fiscal 1995 of $167.4 million is certainly not large in terms of other agencies. We feel we are very lean, and we operate a very efficient service for the American people in leveraging other public and private moneys to the tune of $11 for every dollar we award.

We also would like to point out that we have taken substantial cuts through the years, and since 1979, in fact, we have lost 46 percent of our purchasing power. We think we also return to the Federal Government about $3.4 billion in taxes that come from people who work in and around the nonprofit arts organizations that the endowment helps fund.

Senator COATS. If you are at an 11 to one ratio, wouldn't there be a way to secure an additional one-twelfth from the private sector, or from States or local communities, that perhaps are in a better budget situation than we are in the Federal Government, and still get your 12, but spare the Federal Government this horrendous deficit and the pressure on the economy and interest rates and everything else that flows from that?

Ms. ALEXANDER. It might be possible; it might indeed even be desirable. And you should know that there are a few institutions that in fact are able to fly on their own. In fact, the original legislation of the endowment is to leverage the private sector money. We think we are very successful at doing that.

However, I would like to point out that we are a jumpstart that works. We know that the badge of excellence that we award every time we endow an institution or an organization, be it small or large, is the catalyst that makes it possible for the private sector in those communities to say yes, this is a good bet, and let us put our money on it. We know that that works. And without us, when you pull us out, you lose the national peer panel overview that nobody else does in the whole Government, you lose the national recognition that says we think this is the best in the country and in your community.

So we think we provide a very good service there that others do not provide.

Senator COATS. That leads me to my second question, and you and I have discussed this before. The tough sell with the public in times of deficit pressures is the continued controversy over the use of taxpayer funds to fund what many see as either unnecessary or offensive projects. And while they are a small percentage—agreed—we continue to have most of the focus on the work of the National Endowment for the Arts on the funding of those controversial projects.

I noticed in your statement that you said that you have a commitment to funding only the best art America has to offer. But we continue to read reports—and I think there is one in the paper this morning—about art funded by NEA in one way or another that would hardly fall into the category of the best art that American has to offer—and if it is, America is in a very poor State of cultural decline, if that is the best art we have to offer.

Why and how do these incidents keep occurring?

Ms. ALEXANDER. We certainly do our best to fund excellence and artistic merit, and we believe that our advisory panel system is a good one. I think they make mistakes. I think that we do not make a lot of mistakes, they do not make a lot of mistakes, but we do our best.

Senator COATS. Let me just interject, because I see my time is running out—and I do not mean to cut you off; I want to give you a chance to respond—but given all the controversy, given the fact that people understand that if enough of these things come along, the taxpayers are going to throw up their hands and say "Abolish it; they cannot get their house in order."

How could a recipient of NEA funds, like the Minneapolis Walker Art Center, possibly think that some of the programs that they have sponsored would pass that test and would not embarrass you, and would not embarrass the peer review panel, and would not embarrass the NEA? How could they possibly—don't you think they would pick up the phone and say, "You know, we have something here that the local community wants to go forward with, or our peer review panel wants to go forward with, but we think it might be a little bit controversial. Can we run it by you, because the last thing we want to do is jeopardize funding for NEA." I would think

so, but it is almost like they go right in your face and say, "We are going to do our thing regardless of what it does to the whole program."

It must be a cause of concern to you.

Ms. ALEXANDER. Senator, many institutions are concerned, and they do let us know. They are very worthy institutions, like the Walker Art Center is. This is not a question that I can answer on behalf of the Walker Art Center. However, you should know that we gave them seasonal support for their over 100 performing arts events for the year 1994. They do over 400 events a year, 300 in visual arts.

So this was just one of many.

But to answer your question, there are a number of institutions who ask only that we fund their administrative costs, and we are happy to do so because certainly the amount of money that we give to an institution is only a very small portion of their overall budget.

Senator COATS. If I were director of NEA, I would pick up the phone and call the Walker Art Center and say, "Forget it. You can go ahead and do your thing, whatever you want. I cannot justify sending you a penny of taxpayers' dollars if this is the kind of discretion—or lack of discretion—that you are going to exercise."

Ms. ALEXANDER. Senator, you should know that that grant was passed before I came into office.

Senator COATS. Well, I would hope that there would be some recognition on the part of the recipients that they have a part to play in this also. If we are going to have a National Endowment for the Arts sponsored by taxpayers' money, these things cannot continue, because my constituents simply say fold the whole place up; if they cannot get control of it, fold it up.

Ms. ALEXANDER. As you have read in my testimony, there are a number of reforms that I have instituted, many of them based on the task force of the commission a few years ago, and I think you will find that there are many arts institutions in America that share your concern.

Senator COATS. I am over my time. I thank the chair for her indulgence in letting me go ahead here, balancing two committees, and I thank you for your testimony.

Ms. ALEXANDER. Thank you, Senator.

The CHAIRMAN. Thank you, Senator Coats.

I realized that I exercised the chair's prerogative at that point of, only having very few here, saying that Senator Wellstone would go next. I know there are other Senators on this side who need to leave as well. Maybe I should just call on Senator Pell and let him make the determination.

Senator PELL. This time, let us play by the first in, first out rule. That would be Senator Wellstone.

Senator WELLSTONE. First in, first out, with the emphasis on "out." [Laughter.]

The CHAIRMAN. Senator Wellstone?

Senator WELLSTONE. I will be very, very brief.

First of all, Madam Chair, I would like to have my statement included in the record.

The CHAIRMAN. It will be included.

[The prepared statement of Senator Wellstone follows:]

PREPARED STATEMENT OF SENATOR WELLSTONE

Madam Chairwoman, I would like to add my voice in support of the National Endowment for the Arts and the excellent work that Jane Alexander has done as Chairwoman.

Jane Alexander made a commitment when she was confirmed as chairwoman that the Endowment would continue to touch the lives of all citizens—regardless of age, race, disability, economic status or geographic location—and she has done just that. She has been blessed with a lifetime of accomplishment and creativity and she has provided the Endowment with tremendous leadership. She has been a tireless advocate of the arts and a strong leader who has travel led throughout the United States to learn more about local arts activities. She has effectively focused her energies in our schools and has personally connected with our future artists. As a result she has helped move the NEA forward in its efforts to bring the arts into our classrooms and to every corner of our Nation.

I have always believed that it is a legitimate role for the Federal Government to promote art for all Americans. I really think that this is the heart of the NEA mission: getting art into the community for everyone to enjoy and appreciate.

In 1994 NEA grants were given to many exceptional arts organizations in Minnesota, including, the Duluth-Superior Symphony, the Dale Warland Singers, the Guthrie Theatre, the Minnesota Opera Company, Theatre de la Jeune Lune, the Rochester Civic Music Guild, the Penumbra Theatre, and Graywolf Press.

Last year, because of organizational grants from the NEA, local and national theater and dance groups visited many rural Minnesota communities—there was a Paul Taylor Dance company performance in Winona, a performance by the American Indian Dance Theater in Morris, and performances by the Mixed Blood Theater throughout the State from Biwabik to Red Lake, to Worthington.

Without the NEA assistance, these groups likely would not have gone to these Greater Minnesota communities.

In addition to the funding of arts organizations, the NEA has supported many individual artists through the years. With the assistance of individual grants from the NEA, artists have produced many brilliant, award-winning, creative works—they have received Pulitzer prizes, book awards, theater awards—for a tremendous amount of creativity and accomplishment.

NEA grants help individual artists, dancers, and writers to use their talents to reach communities. I want to share some examples of the Minnesota artists who received NEA grants in 1994. Joe Chvala is a contemporary tap dancer who also founded the Flying Foot Forum. Marylee Hardenbergh is a large scale choreographer, who works in schools as a dance resident, and has performed large on-site public dances—including an event that 3,000 people participated in at the Duluth Aerial Bridge. Robert Hedin is a poet who recently founded a community arts center in Red Wing, Minnesota.

I want to thank you, Jane Alexander for your tireless work as Chairwoman of the National Endowment for the Arts and to let you know that I will continue to support funding for the Endowment.

Senator WELLSTONE. Second, given the comments of my colleague from Indiana, I would like to have my statement on the floor, when we had a debate about Walker, I think with Senator Helms, included in the record.

The CHAIRMAN. So done.

[The prepared statement follows:]

WALKER ART CENTER DEBATE—FROM THE CONGRESSIONAL RECORD

HELMS AMENDMENT NO. 2396 (TO COMMITTEE AMENDMENT ON PAGE 81, LINE 7) TO PROHIBIT THE USE OF NATIONAL ENDOWMENT FOR THE ARTS FUNDS TO PROVIDE FINANCIAL ASSISTANCE FOR PROJECTS OR WORKS INVOLVING THE MUTILATION OF LIVING OR DEAD BEINGS, OR THE LETTING OF BLOOD

Senate Legislative Action—CR Text, July 25, 1994, p. S9607

Mr. President, I was listening with great interest to the remarks of my colleague from Connecticut. I have not even had a chance to look at this amendment very carefully, but, Mr. President, I come to the floor as a Senator from Minnesota to talk a little bit about the Walker Art Center, to try to provide some information to my colleagues because I think it is extremely important for me to defend a very, very important institution.

First, Mr. President, I am going to ask unanimous consent that a letter that I received from Kathy Halbreich, who is the director of the Walker Art Center; Tom Crosby, Jr., chairman of the board of directors of the Walker Art Center; and Lawrence Perlman, president of the board of directors of the Walker Art Center, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record as follows:

WALKER ART CENTER, MINNEAPOLIS, MN, JUNE 21, 1994.

Hon. Paul Wellstone,
Washington, DC.

DEAR SENATOR WELLSTONE: The Walker Art Center is one of the Nation's most esteemed museums of modern and contemporary art. Its programs in the visual, performing, and media arts are uniquely international, multidisciplinary, and diverse. Since 1879, the Walker has supported innovative artists ranging from painter Pablo Picasso to choreographer Merce Cunningham to film director Clint Eastwood. Several Walker-organized exhibitions are now touring worldwide.

Most recently, a retrospective of works by artist Bruce Nauman, who was called by Art in America "the best-the essential-American artist of the last quarter-century," was co-organized by the Walker and the Hirshhorn Museum and Sculpture Garden, Smithsonian Institution, Washington, DC. It will be seen in Madrid, Minneapolis, Los Angeles, Washington, DC., New York City, and Zurich.

This year, the Walker and the Minneapolis Sculpture Garden expect to serve nearly 700,000 people through exhibitions, films, performances, and educational programs. Each year the Walker brings more than 3,000 artists and scholars from across the globe to work and perform in Minnesota. Over 40,000 school children visited the Walker last year, and the Walker's new programs for teens are seen as a national model.

Tomorrow the U.S. House of Representatives begins floor debate on FY 1995 appropriations for the National Endowment for the Arts. Minnesota's Walker Art Center has become a focus in this discussion.

As reported in this morning's Washington Times, the Walker Art Center has come under scrutiny because of a single performance in early March 1994. Unfortunately, much of the media attention related to this performance has been inaccurate and highly sensationalized.

Because of the high level of misinformation, we wanted to make you aware of this situation which affects one of the Nation's most respected museums. The facts are these:

1. On March 5, an audience of no more than 100 people viewed a performance by the Ron Athey theater troupe. The performance, which also has been seen in other communities such as Los Angeles and Chicago, dealt with the difficult issues surrounding AIDS. Such a performance is consistent with the Walker Art Center's

mission to examine the issues that shape, inspire, and challenge us as individuals, cultures, and communities. This was a one-time performance,one of more than 400 events the Walker will present this year. This season, the Walker will present more than 150 performance events ranging from the classical to the experimental.

2. This performance drew on centuries-old traditions from around the world and included a ceremony related to the African tradition of scrafication which involved the drawing of a small amount of blood.

3. Because of the nature of this performance, the Walker took all appropriate precautions as developed by the U.S. Centers for Disease Control and provided to the Walker by the Minnesota AIDS Project. The Minnesota Department of Health has publicly concurred that appropriate precautions were taken. We confirmed this position again today in conversations with the Department of Health.

4. Some media reports suggest that "many" members of the audience "fled." This is not accurate. While approximately 10 of the 100 audience members left during the performance, we have personally heard from numerous members of the audience who said that they found the performance "affirming," "moving," and "enlightening." In fact, to our knowledge this entire situation was generated by a single complaint.

5. Approximately $150 of a $104,500 National Endowment for the Arts grant to the Walker Art Center for its seasonal programming was used to fund this performance.

The Walker Art Center is one of the most prestigious institutions in the country and has earned an international reputation. The NEA has played a crucial role in helping the Walker Art Center provide these services to Minnesota. Indeed, after New York and California, Minnesota arts and cultural organizations, both large and small, receive the largest amount of NEA funding. It is extremely disturbing that the NEA, which has made such enormous contributions to the educational and cultural vitality of our State, would be placed in jeopardy by a single event.

We urge you to support the Walker Art Center and the NEA. We encourage you to call us with your questions, comments or concerns.

Sincerely,

KATHY HALBREICH
Director, Walker Art Center
LAWRENCE PERLMAN
President, Walker Art Center Board of Directors
THOMAS M. CROSBY, JR.
Chairman, Walker Art Center Board of Directors.

Mr. Wellstone. In this letter—and I will just simply summarize it—there are a couple of relevant sections about what did and what did not happen at the Walker Art Center. This pertains in part to the amendment, but I intend to talk for a while about what happened in Minnesota and about this art center, which is a real treasure not just for people in Minnesota, but for people around the world.

I quote from this letter:

Facts: On March 5, an audience of no more than 100 people viewed a performance by the Ron Athey Theater Troupe. The performance, which also has been seen in other communities such as Los Angeles and Chicago, dealt with difficult issues surrounding AIDS. Such a performance is consistent with the Walker Art Center's mission to examine the issues that shape, inspire and challenge us as individual cultures and communities. This was a one-time performance, one of more than 400 events the Walker will present this year. This season the Walker will present more than 150 performance events ranging from the classical to the experimental.

Just a couple of other facts:

This performance drew on centuries-old traditions from around the world and included a ceremony related to the African tradition of scarification which involved the drawing of a small amount of blood. Because of the nature of this performance, the Walker took all appropriate precautions as developed by the United States Centers for Disease Control and provided to the Walkerby the Minnesota AIDS project. The Minnesota Department of Health has publicly concurred that appropriate precautions were taken. We confirmed this again today in conversations with the Department of Health.

Just another fact:

Approximately $150 of the $104,500 National Endowment for the Arts grant to the Walker Center for its seasonal program were used to fund this performance.

Out of a total grant, Mr. President, of $104,500, $150 was used.

Some facts about the Walker, because I fear my colleague sometimes may decontexturalize-focusing on one example-from what the Walker Art Center is all about, and for that matter what the arts and humanities is all about.

The Walker is a uniquely multidisciplinary, diverse, and international museum with programs in visual programming and media arts that reach nearly 700,000 visitors each year. Several Walker-organized exhibitions currently are touring worldwide. In addition, during an 18-month period Walker exhibitions will be seen in New York at the Whitney Museum of American Art, the Zumwalt-Guggenheim Museum, and the Museum of Modern Art. Each year over 3,000 artists, scholars and critics from around the world visit the Walker to share their experience and work with a wide variety of audiences, young and old.

These facts do not come out: last year approximately 40,000 school children toured the Walker. Each summer the Walker sponsors a summer institute for elementary and secondary school teachers, helping them prepare for an interdisciplinary approach to incorporate the arts in their curriculum.

And the Walker, Mr. President, has reached out in all sorts of wonderful ways to young people and communities of color in my State of Minnesota.

These are the facts about the Walker Art Center, but as Frank Rich said in his New York Times editorial of June 26, 1994, "Why let the facts stand in the way of a cause?"

I do not know what the cause is, but if the cause is to essentially go after the National Endowment for the Arts, to go after the arts community and the enormous enriching contributions that that community makes to our communities in Minnesota and South Dakota, urban and rural, white and African-American and Native American and Southeast Asian and Hispanic, I think we would be making a terrible mistake.

Mr. President, as many have said, a child who picks up a paintbrush, a pen, or clarinet—and these will be words dear to my colleague from Connecticut who cares so much about children—will be less likely to pick up a gun or a needle. A child who picks up a paintbrush, a pen or clarinet will be less likely to pick up a gun or a needle.

Before there was a National Endowment for the Arts, President Kennedy in a speech at Amherst College in 1963 said the following:

I look forward to an America which will reward achievement in the arts as we reward achievement in business or statecraft. I look forward to an America which will steadily raise the standards of artistic accomplishment and which will steadily enlarge cultural opportunity for all of our citizens. And I look forward to an America which commands respect throughout the world not only for its strength but for its civilization as well.

Mr. President, I have to tell you that whether it be this particular amendment or whether it be efforts to cut into this budget-cuts I really believe will end up with too broad a stroke of the brush, really being counterproductive and denying so many of our citizens what is so enriching about the arts—I have to be clear about what did happen and what did not happen in my State of Minnesota.

Most important of all, I am not here to debate the work of Mr. Athey. I am not even interested in the debate about the merits of his work. What I am interested in, Mr. President, is making sure that my colleagues understand the Walker Art Center, that my colleagues understand the enormous importance of the arts in my State of Minnesota and in this country. I am interested in making sure that my colleagues understand that in anger about one particular production—which many of us may not like or some of us may say is controversial but is part of what has to be done by way of generating discussion and thought—that is not the point. The point is this: let us not pass amendments which are way off the mark and let us not react in such a way that we undercut the very importance of the arts community.

I would also say that as I see what Jane Alexander is now doing—instituting reforms to increase accountability at the Endowment—I think it would be a huge mistake for us to rush forward in the Chamber of the Senate and pass amendments that are counterproductive, pass amendments that go against the very grain of what arts and community in our country are about.

Mr. President, let me be crystal clear. I do not want to let any Senator—whether I agree or disagree with that Senator on some of the specifics about this particular production—I do not want to let any Senator decontexturalize—and that is the right word—what the Walker Art Center does in my State of Minnesota, in our country and our world. I want Senators to understand the whole range of contributions of this institution. I want my colleagues to understand the full importance of what people at the Center have done and continue to do, and I want my colleagues to understand the full importance of the arts to the community.

I yield the floor.

Senator WELLSTONE. Third, I would like to reinforce the comments of Ms. Alexander that $105 to the Walker Center out of a budget of $104,500, one performance—which, by the way, received the support of the corporate community in Minnesota albeit controversial, versus the whole range of the programs of the Walker, which I think sometimes is the problem, the attack by some on the work that is being done.

I would like to thank Ms. Alexander for something you have done that I think you should get a little more credit for. I believe that you have taken some steps to ensure that there are much stricter standards of accountability, and I think that by doing that, you have really been quite courageous because I know there are some people within the arts community who have been critical. But I do believe that what Senator Coats was driving at, at least in terms of let us make sure there is some real accountability, is important, and the important thing to note is that you have done precisely that.

Fourth, some personal examples that get me to the main point. When Sheila and I were younger, much younger—we have been married a few years, which means that we were only about 22—my parents bought tickets for us to see "Fiddler on the Roof" at the Arena Theater. And as I watched that performance, I kept thinking to myself, the message of this play is universal, and what a shame it is that so many people cannot afford to go to the Arena Theater.

And now I would like to connect that to being a grandfather, which is a big thing to me since it is a relatively new development. I did not realize until having two grandchildren—I had forgotten because our children are in their twenties—watching these young children, I did not realize the extent to which the world with all of its unnamed magic is before them. They are always exploring, always seeing, always responding, and it is wonderful to see that spark of creativity ignited.

Ms. Alexander came to Minnesota—and I speak as a Senator from Minnesota; our State is very, very supportive of the NEA—you came out there, and there must have been 800 or 900 people. There were young people from the schools who were performing. We have taken arts out into the community. And I cannot think of anything that we can do that is more nurturing and more supportive of children and of young people in our country than what we have done through this program, and what you have done in your leadership of NEA.

My final point, lest I take up my whole 5 minutes, is that $167 million in fiscal year 1995—correct—and we are talking about an overall debt of over $4 trillion, and we are talking about bringing the budget deficit down, which we have begun to do. I do not believe that this is the only choice to bring the deficit down.

The Joint Committee on Taxation pointed out that there are over $400 billion of subsidies in tax expenditures to all sorts of large financial institutions, large corporations, oil companies—I could go on and on.

It seems to me that the question is not are we going to cut and cut and cut the NEA to bring the deficit down; the question is can we stay on a path of deficit reduction, which all of us are committed to, but do it by some standard of fairness and make sure the

kinds of investments we make in our own society, in our own country, which make us further ahead and make us a richer and more just and more fair and more passionate and more caring society, are investments we continue to make. That is the choice, and that is what NEA stands for.

Question. You have said that "the endowment speaks to the soul of who we are as a Nation." What did you mean by that?

Ms. ALEXANDER. Well, if we speak about our heritage, it is who we are as a people, our roots, and that also defines who we are in terms of place, where we come from, where we live.

If I learned anything in my travels this year, it was that each little town is unique unto itself because of the people who are there, because of the land that is around it, because of the architecture that defines it; and therefore each has its own uniqueness to celebrate. Also, their roots and who they are today, how their roots interact with how they feel artistically and creatively today, and moving with the young people into the future through arts education, through preserving that heritage.

So it really does define us, because what do we do through literature and the arts? We are attempting constantly to define ourselves.

Senator WELLSTONE. Thank you.

Thank you, Madam Chair.

The CHAIRMAN. Thank you.

Senator Jeffords?

Senator JEFFORDS. I am not going to take long, but will allow others to ask questions, because I have had and will have further opportunities to discuss these matters with Ms. Alexander.

There are a couple of points I would like to bring out. One is that you have done a lot, and others have done a lot before you. We have not had one problem involving direct funding for many years, as far as I know. The Walker Arts Center was an accounting attribution of funds to each individual display that occurred there. So how far are you going to go? The last issue raised on the Senate floor was not anything to do with the art relative to the grant, but the fact that the artist had done something inflammatory years before, and there was the feeling that the panel should have known that he had done some controversial art 5 years before. In fact, there really has not been any recent problem in the sense of affronting the public with pornographic art and those sorts of things, as far as I know from any actual specific grant from the endowment. So I want to commend you, and those before you, for the masterful work in preventing this kind of thing from happening.

Thank you.

Ms. ALEXANDER. Thank you, Senator.

The CHAIRMAN. Senator Pell.

Senator PELL. I will defer to Senator Dodd.

The CHAIRMAN. Senator Dodd.

Senator DODD. Thank you very much, Madam Chairman, and thank you, Senator Pell.

I will also submit a statement for the record, and I just want to underscore the comments that have been made already. I think proportionality is something we want to keep in mind. I think it is very healthy that we have these hearings, and go through the

process of examining the work of this agency. This is not a big budget, as you point out, but it is a budget, and $167 million is a lot of money. So I think it is worthwhile to go through this, but I think it is also important to point out that over the years, there have been, as you pointed out in your testimony, roughly 100,000 grants to various groups involved in the arts, and by my count—and I have been here for the last 15 years—my count, taking the largest number, between 30 and 40 grants have been controversial, some of which truly deserved to be criticized.

If you looked at other agencies of the Federal Government and did a similar analysis, to say contracts in the defense area, or in the labor or commerce areas, and the relationship was 30 or 40 to 100,000, I think the reaction might be very different reaction here. Again, I do not minimize the importance of those 30 or 40, but I am not sure that the controversy associated with the work done by this agency is warranted.

I would love to see other committees and other Members of Congress pay as much attention to other branches of Government, and I would like to examine whether or not we have anything remotely close to this record.

I know I only have 5 minutes, but I think it is worthwhile showing this. This binder details the national endowment grants for the States in this country in 1993. I can assure you this is not New York or Hollywood; this is across America, small towns, rural areas. Every, single one of us here have been benefited in our States with programs that are never reviewed or critiqued in the Los Angeles Times or the New York Times, but they are important efforts to try to make a difference in people's lives. I would urge you to look at it; it is really remarkable and amazing.

So I think there are important issues to look at as to how we do a better job at this, how we make sure that mistakes do not get made. But the criticism raised about this agency in comparison to the failure to criticize where there have been far more egregious mistakes, I think indicates something more going on here than just a concern about taxpayer dollars, in my view.

Finally, Madam Chairman—and I will ask Ms. Alexander to comment on one other area—I have been floating an idea for 5 years or so now that has become somewhat controversial. I have not put it in bill form yet this Congress, but it is the idea of creating a pure endowment—because at this point this is not really an endowment we are talking about.This true endowment would be funded by extending protection for a period of 20 years. The Federal Government would auction the extended copyrights, and the revenues received would go to the National Endowment for the Arts and Humanities.

There has been obvious resistance from the copyright community because of their concerns over a general extension of copyright and how this proposal relates to that effort. I am not suggesting that we replace the appropriation process entirely, but the idea of having arts support future generations of artists has some appeal in terms of getting away entirely from the strict dependency on an appropriation process.

We have talked about this in the past, and if not that idea, something like it, and I would be interested in your comments on it.

Ms. ALEXANDER. I think it is always a good idea to look at these kinds of other areas of public and/or private funding to leverage what we do—again, as seed money, as the catalyst for all of these areas.

I would stress always that the Federal involvement continue to be there to add to our appropriations, if you will. There are a number of models that we are looking at, and as you know, we have discussed the copyright one, which I think would be very important.

One thing that I have been doing lately is sitting down with those members of the commercial arts community, in film, in literature and so on, and saying, you know, you have really profited through the years; you began in the nonprofits, like I did, as an actor, and then I moved over into the commercial area of broadway and television and film. And I said, it would be good if you consider that there is a payback here somewhere. That would be a valuable thought for the future, that we need to invest in where we came from, the research and development arm, if you will, the "farm team," before moving into the big commercial leagues.

And the copyright is also an extension of that idea, if you will, that those who create the artistic works and make some money on them may then have a way, even after the grave, to pay back those who come after them.

Senator DODD. Well, let me just say—and I want to be very firm about it—that I for one believe there should be an extension of the copyright. I think we are on an unequal footing particularly with the European Community, and I think there is a very legitimate issue there. Whatever that copyright period is, although it is not an unlimited right constitutionally, which is something many people do not know, but this would come after whatever that period is.

Second, I think there is a very good point to be raised, particularly I gather in the film area, where the European Community does disadvantage and does not treat American production fairly. And I want to make sure that in anything we do here, we send a very clear message that we are not going to do any harm to our own industry.

But I appreciate your response, because I believe that this idea is one way we may be able to help. With our ability to preserve and maintain, none of us can even imagine what we may be able to do in the 21st century, and the likelihood that products will then be able to actually support future generations and contribute to a true endowment is something I think we really ought to give some serious consideration to.

Again, I have not put in a bill on this, Madam Chairman, because I am interested in hearing some ideas as to how we might do it better, but I think it is one thing we ought to take a look at.

Thank you very, very much.

Ms. ALEXANDER. Thank you.

[The prepared statement of Senator Dodd follows:]

PREPARED STATEMENT OF SENATOR DODD

Madam Chair, it is a pleasure to welcome Jane Alexander back to our committee this morning.

We meet today to examine the work and activities of the National Endowment for the Arts and to explore the broader issue of Federal involvement in the arts. When one thinks about how fundamental art is to our existence, it is not surprising that it has its controversies.

As President Kennedy said three decades ago,

"When power leads man toward arrogance, poetry reminds him of his limitations. When power narrows the areas of man's concern, poetry reminds him of the richness and diversity of his existence. When power corrupts, poetry cleanses. For art establishes the basic human truths which must serve as the touchstone of our judgement."

Few would deny the power of art. Art defines us. The images of art are our very own images and those of our communities. The Adventures of Huckleberry Finn speak to us about the indomitable youthfulness of America, "Porgy and Bess" about Charleston, SC, Whistler's stark images about the natural beauty of America and its people, the Woodstock concert about the Sixties, and Gene Autry about the romance of the American West. It is the sum of all these things that makes us Americans and forms our common beliefs of each other and ourselves.

But art is not just about understanding our history. Art shapes the future and is a power for change. Uncle Tom's Cabin was a call to arms for American abolitionists. "Hoop Dreams" has led to a serious dialogue on big-time college athletics and educational opportunities for minorities. Music too has moved Americans—just remember the thousands of yellow ribbons that greeted the American hostages on their return from Iran.

Art is also the common legacy we leave to the future. Few other things prove as enduring as art. Shakespeare is better known today than Queen Elizabeth I. The pyramids still stand although the empire is long gone. We even learn about ancient man through his art—the cave paintings found just last week in France tell us more about early man in Europe than almost all the artifacts remaining combined.

There is little to be surprised about then that this debate has attracted such attention.

For 30 years, the NEA has worked to support the arts and increase access to them. The Endowment has funded nearly 100,000 grants to States, cultural institutions, groups, artists, schools and community-business partnerships. Through these efforts, the NEA has fostered vibrancy in our arts. Not just in our big cities or among recognized artists. Small communities have seen the positive impact of NEA dollars with arts education programs in their schools, community festivals, folk art programs,travelling exhibits, and support for local artists.

In my home State of Connecticut, the NEA has made a real difference. NEA grants have supported many high-quality artistic institutions, such as the Longwharf Theatre, the Goodspeed Opera House, the National Theatre for the Deaf, the Hartford Stage, and the Eugene O'Neill Memorial Theater.

These institutions are not, I can assure my colleagues, hotbeds of controversy or liberalism. Their work is profoundly impressive and popularly acclaimed. For 30 years, the O'Neill Theater has pre-

sented only the highest quality theater to audiences. The National Theater for the Deaf has delighted audiences young and old with its marvelous work in English and American Sign Language—some of my colleagues enjoyed a performance of the children's classic, "the Giving Tree," here in the Senate last year.

In addition to its professional performances, the Longwharf Theatre in New Haven has done special presentations for students from across my State. Another grantee, Real Art Ways, which received a $20,000 grant, worked with the Connecticut Redevelopment Authority on a cultural festival in a gang-scarred, inner-city Puerto Rican neighborhood in Hartford. The Artists Collective of Hartford received a $5,000 grant to support events such as a "Jazz in the Foyer" series and a performance of the Jubilation Dance Company.

In Connecticut, as elsewhere, these dollars have served as seed money to attract other public and private investment in the arts. It is estimated that each endowment dollar attracts $11 from other sources. Through this multiplier effect, the NEA has been a catalyst for the arts across this country.

While it is clear how these activities enrich our communities and the quality of our lives, what is often forgotten is the contribution of the arts to our economy. A 1993 study by the Port Authority of New York and New Jersey indicated that in 1992 the total economic impact of the arts on these two States was $9.8 billion. A similar study of Connecticut in 1988 estimated the arts added $354 million to our economy and a total of nearly $2 billion to the New England region as a whole. This sector of our economy is a huge job creator—1.3 million jobs, with $25.2 billion in salaries.

Madam Chair, these are remarkable figures. I recognize that not all of this activity is due to the work of the NEA. But when you ask the people who work in this field and who invest their time and resources in it to explain this vibrancy, they mention talented artists and corporate donors, but they also always mention the National Endowment for the Arts.

Its role is simply vital.

Some argue that the NEA is a luxury that we must cut as we seek to lower Federal spending and streamline the government. I believe the NEA has shouldered its share of budget cuts, however. Since the late 1970's, funding for this small agency has been cut almost in half and currently stands at $167 million.

I believe we must stem the tide of this funding decline. I recognize, however, that Federal dollars are limited and that a new Federal commitment to the arts is unlikely, to say the least. It seems to me, however, that if we look at this a little differently, we have a real opportunity to move the goals of the NEA forward—without costing taxpayers additional dollars.

We should fulfill the promise of the NEA by creating a true endowment for its work. In the last Congress, I proposed we look at the extension of copyright protection as a possible funding sources. In this way, the arts of today would serve as a foundation for the arts of tomorrow. Madam Chair, I recognize the specifics of this proposal put it outside of the jurisdiction of this committee. However, I think the question of a real endowment is one we should look at carefully during these hearings.

Fundamentally, I believe these hearings should be about strengthening this important agency, and I look forward both to today's testimony and to working with you toward this important goal.

The CHAIRMAN. Thank you, Senator Dodd.

Senator Ashcroft.

Senator ASHCROFT. Thank you, Madam Chairman.

Ms. Alexander, on page 2 of your testimony, you point out that the endowment in fact more than pays for itself. Does that mean that in some way, this could become a stand-alone, self-supporting enterprise? At a time when we are looking for relief in terms of the budget, do you have a suggestion in that respect?

Ms. ALEXANDER. Well, what I would like to point out, Senator, is that when I say it pays for itself, it pays for itself in being the seed or the catalyst for attracting other public and private moneys, and that then those institutions that pay taxes back to the Federal Government—not the institutions, but the people who work in and around them—to the tune of $3.4 billion, may actually offset what we feel is the $167.4 million that the Government invests, if you will, in the National Endowment for the Arts for the American people.

Senator ASHCROFT. So you would just say that the economic activity surrounding the arts more than covers the amount of the endowments for the arts.

Ms. ALEXANDER. Exactly, but we feel that we are the absolute crucial catalyst for attracting a lot of this money.

Senator ASHCROFT. I appreciate the effort that you make to avoid the confrontational, the offensive and the controversial, and I want you to know that I believe it is an enterprise that can be done. During my opportunity to be Governor of the State of Missouri, we had a Council for the Arts which was pretty significant in supporting a variety of artistic endeavors in the State, and I do not ever remember a controversy in the history of that organization since the late 1960's, I believe, that anywhere near approached the kind of controversy that is involved and the offensive things that have been associated with the national endowment.

So I think it is a doable thing, it is achievable, and it ought to be achieved at the national endowment level.

I agree with Senator Dodd that there is a relatively small number of offensive items which have come up, but I do not agree that they should be considered inoffensive because they are small in number. And I think the comparison between other agencies and the arts is probably not something that I would make.

I believe that art, especially the communication which has been labelled as art which has been particularly offensive, has frequently been communication which has been either religious or anti-religious, or political in nature. And I think the American people do not want to fund religious or anti-religious communication, political or anti-political communication. And this is a tension which exists in this arena where we are fundamentally funding communication and speech, and making decisions about whom to fund and whom not to fund.

I think in that rather tender environment where you are making decisions about whom gets funded, and it is a matter of speech, it

is important to be extremely careful; we have an extra high responsibility.

There are those—and I have not arrived at a final conclusion on this—who challenge whether or not we should be funding speech, especially when it tends toward religious and political speech, at all in this society, or anti-religious or anti-political speech, and those are the most troubling things to me.

It seems to me to the extent that we stay in the broad area of consensus that we avoid the controversy. When we get into the area of challenging some of these fundamental values of American culture, we get ourselves into real trouble.

If the definition of art means that it has to challenge and be offensive, then I think we are in a situation where, regardless of how de minimis the endowment might be in regard to the Federal budget, its position is in serious jeopardy.

Ms. ALEXANDER. Thank you, Senator. If I may respond to that briefly, we do not intentionally set out to slur any racial or religious or ethnic group——

Senator ASHCROFT. Well, I understand that it is not a matter of intent, but the individuals who conduct and who undertake these things I think have to understand the impact of their art as well as the intention. And I, frankly, cannot join you in believing that all of this is done without the intention—art can be confrontational, and I am not in any way suggesting that we should limit the scope of art in the society. But whether there is a Federal, national responsibility to fund one man's challenge of another man's, or one woman's challenge of another person's values and fundamental beliefs, at public expense, is a very serious question. I do not think it means that you intend to do it, but I think it is pretty clear that the impact is that that is what happens. And if that is in fact the consequence—you know where the road of good intentions leads, and I think that there are lots of people who think that that is where some of the so-called communication labelled art under the national endowment comes from. And I just do not think it is fair to say to people that we are going to take their compelled, coerced tax dollars that no one pays voluntarily, and we are going to subsidize an assault on their values, religion, or politics.

I know you do not intend to do that; I have no suggestion, and I have never thought that the national endowment sets out to do it, but I think that that is not the question. The question is how can we prevent it, or else—if the question does not get to be that, I think it becomes, as Senator Coats said, a question of survival, because I do not think we can survive if we do not prevent it.

Ms. ALEXANDER. May I just say one thing?

The CHAIRMAN. Please.

Ms. ALEXANDER. I think that the addition of a layperson on every panel has really aided in this, and you should know that we are doing significant outreach with regard to our panel database system, which has expanded considerably. Just this past year in my travels, everywhere I go, we hand out panel registration forms to people we feel are qualified and may never have gotten our attention before, to diversify the panels, geographically, aesthetically, ethnically, and culturally, so that we get a more broad-based kind of expertise that represents America at large.

I think that these panels are exemplary, and I think you will find that they are addressing more of your concerns daily.

Senator ASHCROFT. Thank you, Madam Chairman.

The CHAIRMAN. Senator Simon.

Senator SIMON. Senator Pell, you are ahead of me.

Senator PELL. Go ahead. I will be here until the end.

Senator SIMON. Thank you.

First, thank you, Madam Chairman. When we had our last vote, I got on the elevator with some of the members of this committee, and one of them said, "Isn't Jane Alexander doing a terrific job?" and we all agreed—now, I have to say it was not the whole committee in the elevator, nor the whole Senate, but I think there is that feeling.

I would underscore what you said in your testimony. We are spending on the National Endowment for the Arts the equivalent of two first-class postage stamps per American citizen. It is a significant amount of money, but it is a small amount in the Federal budget.

I like Chris Dodd's idea and think it should be explored.

In terms of mistakes, yes; there have been some grants that you would prefer had not been made and that all members of the committee here would prefer had not been made. I guess probably in my legislative career, I have cast 100,000 votes—I do not know—I am sure that if I were to go back over that, there would be a lot more than 40 votes I would like to change if I could go back and change some of those votes.

The comment of our colleague from Ohio on serving the underserved communities, I think constantly needs to be stressed, and it is one of the things you are doing. And when you make a grant to the Chicago Symphony Orchestra, it does not necessarily look on paper like we are reaching out to underserved communities, but ordinarily, they would not have a concert in Decatur or Carbondale, IL, and they are doing that. So you are reaching out.

My wife, who is here, and I had a visitor who was an alumnus of a small liberal arts college that I attended in Nebraska, Dana College. He is very much interested in opera and symphony, and he is now on the faculty of one of the California State universities. He related how, while he was in college—and he grew upon a farm in Iowa or Nebraska or someplace—someone gave him a ticket to the Omaha Symphony Orchestra, and how he sat in there, and his words were—I remember this vividly—he said, "I thought I had died and gone to heaven."

How many times have I heard stories from young people—who maybe are not young anymore—who have been exposed thanks to grants from the national endowment.

And then—I guess this is an opening statement rather than a question—I have mentioned this before in this committee, and I will mention it again—when I was overseas in the army, I served in the community of Koberg, Germany, with 40,000 people. They simply assumed that a community of 40,000 would have a full-time professional orchestra, and a full-time professional opera, year-around. It is very interesting that here in the United States, even today, we do not have a full-time, year-around opera company. Even the Met is not a full-time, year-around opera company.

We really have to do better. We are going to be remembered by and large for what we produce in the arts and humanities, not for the submarines we build or the C-17s that Senator Kennedy spoke about or other things. I think it really should be a priority.

I have gone on and on, and if you care to make any comments in response, please do. Otherwise, I thank the chair for her indulgence.

Ms. ALEXANDER. Thank you very much, Senator.

The comment that you mentioned about the reaction to the orchestra reminds me of a little 8-year-old boy who was introduced for the first time to the Atlanta Symphony Orchestra, and he said, "It was as if happiness leaped into my body." I love that.

But that is what we do at the endowment, and it is wondrous in many instances.

Senator SIMON. Thank you, Madam Chairman.

Thank you, Ms. Alexander, not only for your testimony, but for the job you are doing. We are very proud of that.

Ms. ALEXANDER. Thank you, Senator.

The CHAIRMAN. Senator Abraham?

Senator ABRAHAM. Thank you very much.

I could not help as we were talking here earlier, listening to the various praises being sent toward you and your comments about this, I did not feel that I had come here today to put you or your performance on trial. I would observe, though, that once you take over any position of responsibility in Government, you find yourself quickly responsible not for just what you have done on your watch, but it seems for everything else.

This week, I began receiving calls in my office saying, "I am tired of you guys. You have put $4.8 trillion of debt onto this country, and you are responsible"—I have been here 3 weeks. [Laughter.] So I understand how you feel.

My question is this—and I do not think it is a question of magnitude, whether it is $100 million or $100 billion—it seems to me there is a fundamental question that I have been trying to wrestle with as to the proper role of Government, particularly in a time in which we are constantly confronted with priorities and choices. I think I support the whole notion of enriching our society of the arts as much as anyone here. The issue to me is what role Government should play and what role a national organization should play.

My constituents come at me from two directions. One group of constituents is saying the Government should not fund obscenity, and another group comes to me and says the Government should not engage in censorship. So I keep thinking to myself, well, maybe the Government should not engage in this at all, not just because of the monetary issue, but because of the question of what the proper role of Government can be. And I guess I would hearken back to John Ashcroft's question because, in areas of politics and religion and cultures and so on, there exists a real question as to where the proper line is.

So the question I would like to start with is this. Why not make the national endowment an independent entity? Do you believe it could not attract sufficient resources of the magnitude you currently have if it just operated as does the Detroit Institute of Art, as do many other institutions around the country? Would it just

not survive under the current tax structure, or is there some other role that justifies Government involvement?

Ms. ALEXANDER. Are you talking about making it a national private corporation or something like that?

Senator ABRAHAM. Something of that sort, yes.

Ms. ALEXANDER. Well, you come into questions of what would be the capitalization for such a corporation. If it came from the Federal Government, would the Federal Government be ready to advance $2 billion to capitalize a $200 million corporation on interest alone, or something like that. We would have to find a way to build a true endowment, and that is why we look at things like extension of copyright, at least to supplement the appropriations.

However, we feel there is a role for Federal involvement in the arts, and that has to do with the imprimatur; the fact that the world at-large, all industrialized nations, have a Government role in the arts; with partnership, the possibilities of maintaining other Federal agency partnerships. We have 28 of them going now with a number of other Federal agencies. There is the leadership role that we take on with arts education, with questions of access—access for the disabled, access for the disenfranchised, access for groups that might not have access to the arts, the underserved in general—leadership in design issues. We take a major leadership role in design in our Nation; leadership in heritage, in folk and traditional arts across the country, not the least of which, of course, is, as I have mentioned before, leveraging and attracting other public and private moneys.

We feel that there is a legitimate Federal role in the arts. And to find a way to privatize it or to make it a corporation, we do not think is necessarily viable at this time or even desirable, because we feel the Government goes on forever, and it would be a very important role for the Government to always be involved in.

Senator ABRAHAM. Do you think that the leverage that you provide—which is I know one of the major arguments in favor of the program as it currently exists—do you feel it is the leverage of the money, or do you feel it is the leverage of the credibility of an organization called the National Endowment for the Arts that stimulates local support for the institutions or artists that you are providing grants to?

Ms. ALEXANDER. I think it is both. First of all, the most important thing is that you get this imprimatur of excellence that is national recognition. The second thing, certainly for the small arts organizations—and those are a good 50 percent of what we support—it is vital, the money, and even when it is only $5,000, a very small organization of a few people, or 25 or 35, some of them that exist, that first $5,000 is vital.

Senator ABRAHAM. The current tax laws obviously place constraints on the amount that people can give to the arts or similar charities; there are caps. Also, because of the fact that many people do not itemize on their tax returns, there is no opportunity for those who might not be as affluent or in a position because of their asset holdings, who have a desire to contribute, but have a lack of incentive because of the tax structure that we currently have.

Do you think that if we were, for instance, to provide some options for those who itemize, that there would be a universe of peo-

ple out there who currently cannot or do not give at a certain level to give more?

Ms. ALEXANDER. I think it is certainly a possibility. It was something that I believe President Bush suggested during his Presidency, not just for the arts, but for many other areas as well. It is worthy of investigation, to my mind.

Senator ABRAHAM. Thank you.

The CHAIRMAN. Thank you, Senator Abraham.

Senator Pell?

Senator PELL. Thank you, Madam Chair.

My understanding is that when the endowment came into existence, there were only 22 theaters in the entire country, and about a million people attended each year. Is that correct?

Ms. ALEXANDER. Yes.

Senator PELL. And how many theaters are there now?

Ms. ALEXANDER. I believe it varies, because we have lost some of them in the past few years due to financing, but there are about 430 nonprofit organizations in theater.

Senator PELL. I remember when the endowment started out, people were saying that there were more citizens who would go to a baseball game than would go to a theater, and I think they were probably correct. My understanding is that a million people attended the theater then each year, and it has now gone up to 55 million.

Ms. ALEXANDER. I do not know the exact figure, but that sounds good. I know, Senator, that more people attend nonprofit arts events in this country than attend all sporting events combined.

Senator PELL. And also, I believe there were around 60 orchestras when you started out, and today there are more than 1,000.

Ms. ALEXANDER. Yes, and we are told by some of the most outstanding conductors in the world that indeed they are the finest orchestras across-the-board, all over the country and in the world. That is exciting to know.

Senator PELL. On another subject, we talk about excellence in the arts. How do you measure excellence on the panels? What is excellence? Is it what one man agrees with, or what one woman agrees with, or is it something with a defined quality?

Ms. ALEXANDER. I think, Senator, that this is the reason for the advisory panels at the endowment. It is the bringing together of people who are knowledgeable in these given fields, be they dance, design, music, theater, from all over the country. And there are art experts out there everywhere who are private citizens, and they come together with a layperson who does not make his or her living from the arts, but is knowledgeable about that field. They come together on these panels.

We convened over 100 panels last year, with almost 1,000 people.

Senator PELL. Let us say, for example, there is a panel on the visual arts, and the panel is made up of people mainly from the abstract art community. Would they consider an excellent representational painting excellent?

Ms. ALEXANDER. Well, our panels are not only made up of people who would be coming from the abstract art community. The panels now also include people who would be representational, if not art-

ists, then people who would be knowledgeable about representational art.

We seek that kind of balance and fairness.

Senator PELL. When the endowment started out, I think there was a leaning toward abstract art. Now, as I understand it, in the visual arts, it is about half and half between abstract and representational. Would that be correct?

Ms. ALEXANDER. I think that is correct, yes. And you should know that over half of the fellowships that are awarded every year are to representational artists, or that that has been true in the past few years.

Senator PELL. Some have said that the arts and arts education could play a very real role in keeping our young people out of trouble with the law. Could you give us an example of that?

Ms. ALEXANDER. I will happily. There is a wonderful organization that comes to mind right away called YAYA, Young Artists, Young Aspirations, out of New Orleans that we helped start. It is a visual arts gallery run by a wonderful woman named Jan Anapoli, and we helped with an award to her gallery a number of years ago so that she could bring in the young kids, mainly the young men and women she saw hanging out across the street, teenagers, into the gallery and teach them painting.

What has happened is they have gotten so interested in it—and they were all required to go to college, which they have been doing—that I have just gotten word within this past month that they won a contract from the United Nations to reupholster the chairs in the United Nations here in this country. So that is quite a success story for these kids who might otherwise be in trouble.

Senator PELL. And finally, we had a conversation once about the purpose of art, and I recall discussing the thought that the purpose of art is to entertain, amuse and give joy to people, rather than to give misery and sadness. I was wondering if you adhere to that view.

Ms. ALEXANDER. No, I do not, Senator, because I think there is a lot of sadness and tragedy. I cry a lot at sad things. I think that art is everything that one can imagine in terms of emotion.

Senator PELL. A very good response. Thank you.

The CHAIRMAN. Thank you. I would like to ask a few questions, and then go to a second round, if there are any further questions from other Senators.

I think there have been some good questions asked and certainly some concerns raised which I think are legitimate concerns. As I said in my opening statement, I think there is a legitimate Federal role for the arts. But I have been troubled in the past and continue to believe we need to seek ways to make sure that we are comfortable with the funding that is used. And you have certainly brought some wonderful examples.

One of the things, of course, when we talk about the Walker Art Center or others, is that there is a fungible quality to the moneys that go out, and it is very hard to get an accounting. You mentioned in a response—I do not remember whether it was to Senator Coats—the seasonal aspect of the funding that you have to do. Let me just ask about subgrants and seasonal support.

Is it correct that you have administratively eliminated most of the subgrant programs?

Ms. ALEXANDER. All of the subgrants, Madam Chairman, with the exception of those that involve Government or State organizations, State or regional organizations, or international programs.

The CHAIRMAN. And then the States themselves have the option to review or not to review a subgrant proposal that they are supporting.

Let me ask about the seasonal support, because in asking you about this and trying to understand it, when the Walker Art Center, let us say, would make a proposal to you for funds, it would be perhaps before they know exactly what exhibits or programs they might be undertaking, and so the NEA would make a decision on the moneys prior to the seasonal program having been laid out.

Ms. ALEXANDER. Very often, yes, just because of the time line; they do not know their full programming.

The CHAIRMAN. Is there a way that perhaps that concern could be addressed in a more specific way to make sure that the funds that are coming from the NEA will be going to a program that has been already put in place for the next season? I mean, there are major programs that have to be planned a season ahead, as you know far better than I. Is there some way to get around some of these concerns that it is somewhat a blank check. Your input becomes limited, and certainly, that of the panels as well as the council, when it is then stated that they cannot project or do not know in advance what their program will be for the next season?

Ms. ALEXANDER. It is certainly possible that we could make grants only for specific projects, or we could make grants only for general operating support or administrative support, or only those programs that we know about and that we approve. That is certainly possible.

The CHAIRMAN. And is this something that has been discussed?

Ms. ALEXANDER. Yes. We are looking, actually, at a lot of things in the agency, different funding parameters. We are in the middle of a survey right now.

The CHAIRMAN. One other aspect of the operation that has raised some concern, and I am sure has been somewhat cumbersome to you, is the three-tiered system of grant reviews. The council frequently rubberstamps what has come to them as a recommendation from the panels, and in the end, very few grants are denied. Is this system effective as you see it operating now? Could you comment on whether grants have been denied?

You explained earlier that there is a broader representation now in the peer review panels, but I think people have come to feel that whatever comes before the peer review panels—or the council, I should say, more importantly—is just rubberstamped. Could you comment on that?

Ms. ALEXANDER. Yes. Right now, we have a very active National Council on the Arts, active because they do not want to be purely a rubberstamp. They want to be very much involved with the grants that come before them.

How do we let them be more involved without increasing their time commitment on the national council, which is already considerable? We are looking at ways to involve them more in workshops

and become more knowledgeable about some of the grants beforehand. And I think this is going to work out in the long run. As I say, this council is indeed very active, and in fact at the August council meeting decided they did not feel that three of the artists in the visual arts category were the work that they wished to approve, so they rejected those three grants.

The CHAIRMAN. Let me finally ask about something I was told was in the commission's report when they did their review, and I cannot find the exact wording, but whether there was a process for a Federal audit of the NEA.

Ms. ALEXANDER. Oh, yes, indeed.

The CHAIRMAN. And so you do an annual audit?

Ms. ALEXANDER. The inspector general—which has been legislated, as you know, for agencies—our IG does an audit on a number of institutions annually, yes, indeed.

The CHAIRMAN. And does it sort of rotate among institutions that an audit is done?

Ms. ALEXANDER. Yes.

The CHAIRMAN. Thank you very much, and thank you for I think a very thorough review. I appreciate the dedication you have given to the National Endowment for the Arts during the 2 years of your chairmanship.

Ms. ALEXANDER. Thank you.

The CHAIRMAN. Senator Kennedy, did you have some further questions?

Senator KENNEDY. Yes, just very briefly.

We thank you for coming, Ms. Alexander, and have noticed your cough, with the air conditioning on in the hearing room, so we admire you, and I do not intend to hold you for more than just a few minutes, but there are one or two areas where I would like to get your response for the record.

There are some who believe that we ought to just take the appropriation of $167 million and send it to the States, just block grant it to the States and let the States handle it. What is your reaction to that?

Ms. ALEXANDER. Senator, I should probably start by saying that the State organizations themselves, the National Association of State Arts Agencies, which most of the States belong to—I think there are now only one or two that do not—is on record—and I would like the most recent letter from its executive director Jonathan Katz entered into the record today——

Senator KENNEDY. Could we ask the chair to have that included without objection?

The CHAIRMAN. Yes, that will be so done.

Ms. ALEXANDER. Thank you.

[Letter from Mr. Katz follows:]

NATIONAL ASSEMBLY OF STATE AGENCIES,
1010 VERMONT AVE, N.W.
Washington, DC, January 25, 1995

Jane Alexander,
Chairman,
National Endowment for the Arts,
1100 Pennsylvania Avenue, NW,
Washington, DC.

DEAR JANE: As you prepare to testify to the Senate Labor and Human Resources Committee, please permit me to update you on some of the reasons that State arts agencies value congressional support for the National Endowment for the Arts.

The National Assembly of State Arts Agencies (NASAA), representing the State and special jurisdictional government arts agencies of the United States, is urging Congress to enable the National Endowment for the Arts to move forward in its essential Federal roles of providing leadership and funding for the arts to the benefit of all Americans.

Federal leadership and funding, both direct and indirect, play an essential role ill the effort to make the arts available in every community to every person. Without public funding, the arts would be available only in the wealthiest States,in the wealthiest communities, and to the wealthiest individuals. Just as the museums of the Smithsonian Institution help make the visual arts available in our capitol city, the National Endowment for the Arts helps make all the arts available to families in communities all over the Nation.

State arts agency funding varies from State to State and year to year, often depending on regional economies. A base level of Federal funding in each State is crucial so that those working to reach people with arts activities and products can have the continuity in the public portion of their funding that enables them to engage in good planning an management. Direct grants from the Federal agency to organizations in each State are necessary for projects of national significance.

The State arts agencies rely upon Federal leadership and funding in identifying and addressing cultural needs that are truly national. Direct Federal grants are necessary to ensure that organizations make our artistic heritage available to the public and preserve it for future generations. Congress itself has asked the National Endowment for the Arts to see that Federal dollars reach underserved communities. Congress also asked the Federal agency to play a leadership role in promoting the understanding and inclusion of the arts as part of a basic education. Currently, Endowment leadership and some direct funding for coordination is bringing together private foundations and corporations with State arts agencies in a national partnership to assist each State in including arts education in its education reform.

Leadership and direct funding at the Federal level are required to enable people throughout the United States to make market decisions about participating in the arts. In many places in the United States—rural, suburban and inner-city—an individual or family cannot decide to attend an arts event or purchase an arts product because the way the distribution system works does not allow that. How many people—and how often—can decide to attend a professional theater or dance performance, see jazz or chamber music, view a film not produced in Hollywood or a book not published by a New York firm? Leadership and funding at the Federal level is required to test national distribution systems and to encourage arts-producing organizations to reach broader audiences and more challenging markets.

State arts agencies also rely upon Federal leadership and direct funding of national initiatives to attract private, corporate and foundation support to the arts, especially from funders who can be encouraged to provide matching support on a national or regional basis. We value a Federal partner who can help the tourism industry, the international trade industry, the business and commerce communities to see how the arts enable them to achieve their goals, and how they can assist more Americans to participate in the arts. We need a partner arts agency at the Federal level to play a leadership role in working with the trade associations and other Federal agencies who work with these private sector interests—the National Alliance of Business, the U.S. Chamber of Commerce, the United States Information Agency—so that those of us representing the public at the State and local levels are better able to establish working relationships with their constituencies. We need a Federal partner to help bring the profit-making and non-profit arts industries together in common purpose in the public interest.

NASAA sent letters to the House Appropriations Committee in June 1994 and to the Senate Appropriations Committee in July 1994 stating that we supported the balance of funds distributed directly and distributed indirectly through State arts

agencies as called for in the existing NEA authorization. Our position has not changed.

We applaud your visiting every State and jurisdiction in the United States in order to be in direct touch with the Nation's diverse artistic and cultural needs, and to increase public understanding of the value of the arts and the work of the National Endowment for the Arts.

Thank you for everything you are doing as the Nation's chief spokesperson for public funding of the arts.

Sincerely,

JONATHAN KATZ
Executive Director

Ms. ALEXANDER. The National Association of State Arts Agencies and their executive director are on record saying that they think the current status should remain.

Senator KENNEDY. So the State agencies themselves as an organization support the current procedures.

Ms. ALEXANDER. That is correct.

Senator KENNEDY. Second, I have noted that Mr. Bennett and Ms. Cheney, who have been vocal critics of the agency, claim that the endowment has failed, and its system is corrupt. Do you have any reaction to those comments? It is difficult for me to believe that hardworking parents who choose to enrich their children's lives, whether they are from Kansas or Vermont or Rhode Island, Ohio, or from my State of Massachusetts, and who participate in a wide variety of different kinds of programs, believe that to be true.

What we have found is that those individuals who have headed the humanities and the arts did not, when they appeared here, make those kinds of statements. I find it interesting that when people leave these positions of responsibility, they make statements—even Lamar Alexander, who was here for a long time as head of the Department of Education, and is now out running for President, is now in favor of abolishing it—so we get these kinds of comments, and I would like your reaction.

Ms. ALEXANDER. I am totally mystified by words like "corrupt" with regard to this agency. I have come to know it very well in the past 15 months. I have come to know what we do across the country very well. It is an astonishing array of things that the National Endowment for the Arts supports, and the American people can be proud of this agency.

It is a lean agency. We work to improve ourselves daily. It has a remarkable staff as well.

Senator KENNEDY. Well, that is certainly my impression, and it is also the impression from a wonderful note that I received from Elizabeth Rhodes in Wellesley, MA, who wrote: "All of us share the experience of culture, although the forms of that culture itself may differ widely. Shouldn't we be cherishing it as something we have in common? In this moment of violence and division, if we are to keep our culture alive and learn to appreciate it and live with the culture of others who share the Earth, it needs our support."

I think that is a very constructive comment.

Ms. ALEXANDER. Yes.

Senator KENNEDY. Just one final point. Senator Dodd talked about copyright and the distinction in the international community and expressed his views on that. One of the issues we have seen in regard to funding for radio and television is the case, brought

up on the Senate floor, of "Barney," for example, where there was a small amount of money, and then $1 billion worked out in terms of licensing, and nothing being returned to public broadcasting. That has been altered and changed in public broadcasting and in the humanities. Obviously, in the humanities, they have a different structure and different kinds of opportunities to develop a system for some recovery. But what I have heard you say here this morning, and I have heard you on other occasions, is that you are at least soliciting ideas and suggestions where there may be augmentation and ways in which people who have participated and have been very successful—and there are a number of examples, some of which you mentioned here, of people who have been able to have this lifeline, so to speak, in terms of their own creative careers, and then have done exceedingly well—that there at least be some recognition of their support in an earlier period of time for the taxpayer.

I believe that that would have strong resonance among people across the country if some process were worked out. And I know that you have been thinking about it; I know there are a number of members of your committee who have thought about it as well, and if there are things that you would like our support on or need our support legislatively on that issue, I would hope you would let us know. I think it might have a positive impact—not to substitute the support, but to help to build it. And I would hope that the artists who participate would feel honored to be able to do so. I believe they would; I think many of them would if given the opportunity to do it. The men and women and children who participate feel an enormous sense of appreciation and would feel honored to be able to participate in some way. So we would invite you and others to make suggestions about how that could be done.

I thank you, Madam Chair.

The CHAIRMAN. Thank you.

Senator Jeffords.

Senator JEFFORDS. Just to finalize matters here, the Subcommittee on Education, Arts and the Humanities will be preparing legislation for reauthorization. We will be, of course, looking to you for guidance in that respect. Also, I want to let everyone know we will be holding at least two more hearings, starting next month, and we will be and asking the critics to come forward and letting them testify so that we can better understand things that we cannot understand at this point. So I want to let everyone know that there will be that opportunity. I want to be open and even-handed in the treatment of the reauthorization, because it is a controversial issue. I look forward to working with you and your staff as we prepare that legislation.

Thank you.

The CHAIRMAN. Thank you.

Senator Pell?

Senator PELL. Just one suggestion—how is the idea progressing that everybody who gets an award from the arts endowment will get a little certificate so that they can call themselves a grantee or an awardee? We have discussed that idea with some of your predecessors.

Ms. ALEXANDER. Yes, indeed, we are working on that, Senator. Thank you for the suggestion.

Senator PELL. I hope that suggestion will continue to be considered, and thanks to Senator Kassebaum, this is moving; otherwise, it might be dead in the water.

The CHAIRMAN. I appreciate it, and Senator Pell, I think it is fitting that you have had the last word.

Thank you very much, Chairman Alexander. We greatly appreciate your being with us this morning.

That concludes the hearing.

[Whereupon, at 12:00 p.m., the committee was adjourned.]

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